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PARLIAMENTARY DEBATES
(HANSARD)

HOUSE OF LORDS
OFFICIAL REPORT

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Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
Lab Co-op	Labour and Co-operative Party
LD	Liberal Democrat
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

No party affiliation is given for Members serving the House in a formal capacity, the Lords spiritual, Members on leave of absence or Members who are otherwise disqualified from sitting in the House.

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House of Lords

Thursday 4 June 2020

11 am

Prayers—read by the Lord Bishop of Chelmsford.

Arrangement of Business

Announcement

11.05 am

The announcement was made in a Virtual Proceeding via video call.

The Lord Speaker (Lord Fowler): Good morning, my Lords. Welcome to what is the last virtual Oral Question Time. I take the opportunity to thank everyone for making these procedures possible over the past weeks. Next week we plan to introduce the new hybrid House, and guidance for Members will be issued very shortly. That will be followed by remote voting, which is designed to beat the queues.

Virtual Proceedings of the House of Lords will now begin for the last time. I remind Members that these proceedings are subject to parliamentary privilege and that what we say is available to the public both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute, and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. Members may now need to accept an on-screen prompt to unmute their microphone. When Members have finished speaking, their microphone will again be set to mute. I ask colleagues to keep their contributions as brief as possible, and then we will be able to get as many people on the list into Question Time as we possibly can.

Covid-19: Educational Gaps

Question

11.06 am

Asked by **Lord McConnell of Glenscorrodale**

To ask Her Majesty's Government what action they will take to close any educational gaps arising from the school closures due to the COVID-19 pandemic.

The Question was considered in a Virtual Proceeding via video call.

The Parliamentary Under-Secretary of State, Department for Education and Department for International Trade (Baroness Berridge) (Con): My Lords, we will do whatever we can to ensure that no child, whatever their background or location, falls behind as a result of coronavirus. We have so far committed over £100 million to boost remote learning. We are working at pace with experts to understand and address the immediate and long-term impacts of school closures. This includes considering a targeted online tutoring offer and the feasibility of support over the summer.

Lord McConnell of Glenscorrodale (Lab): My Lords, I thank the Minister for her Answer and for her personal commitment to this issue, but she will be aware that the vast majority of vulnerable children across all four nations of the UK have missed out on the home-schooling operation and the availability of school-based learning over these recent weeks. There is therefore a need for a national action plan in all four nations to ensure that these vulnerable children are not left behind. Will the Minister commit the Government to bring about the same level of effort as we have seen in the health service and in supporting businesses and jobs during the lockdown period, to make sure that these children recover their learning and deal with the trauma—and, potentially, abuse—that many of them will have suffered during the lockdown period?

Baroness Berridge: My Lords, since schools closed to most pupils, teachers and support staff have been working hard to keep schools open for vulnerable children. However, as the noble Lord makes clear, only 15% of vulnerable children were taking up this offer. Yes, we are keenly looking at all the options to ensure that particularly disadvantaged children are given an opportunity to catch up on their learning; those in year 10 who are disadvantaged will have access to a laptop or device as part of the £100 million package that I outlined earlier.

Lord Lucas (Con): My Lords, a lot of schools have gained considerable expertise in online education and are keen to pitch in to help provide that over the summer holidays and in after-school hours. Will my noble friend commit resources to ensure that this help is efficiently organised and delivered, perhaps through the good offices of regional school commissioners?

Baroness Berridge: My Lords, as part of that £100 million, the Oak National Academy was set up as a result of 40 teachers putting 180 video lessons per week online. Some 2.3 million users have accessed that service and 8.6 million lessons have been viewed. We are pleased to see how online learning may perhaps be changing education provision for the future, but we will look at all options to support children—not just for the summer, but into the autumn term as we know that there is a lot to catch up on.

Lord Low of Dalston (CB): My Lords, according to a report from the Public Accounts Committee published last month, many of the 1.3 million pupils in England with special educational needs and disabilities are not getting the support that they need and end up being excluded from school, damaging their education, well-being and future life chances. What are the Government doing to remedy this situation for vulnerable children?

Baroness Berridge: My Lords, in relation to the situation at the moment, we have of course made school places available to those with special educational needs who have an education, health and care plan, and we encourage them to attend school where the risk assessment shows that that would be best for them. In relation to those from disadvantaged backgrounds, the Family Fund will provide £37 million over the next

[BARONESS BERRIDGE]

year to support disadvantaged families who need extra money, and £10 million has been allocated to cover the pandemic response.

Lord Clark of Windermere (Lab): Since the schools closed, children from better-off families have been spending 30% more time on home learning than poorer children, and the learning time gap between better-off and worse-off children is widening markedly. What specific further targeted support for disadvantaged students is the Minister suggesting to the Chancellor be included in his economic stimulus in July?

Baroness Berridge: My Lords, since 2011 it was good to know that the attainment gap between disadvantaged students and their peers had narrowed at every level, but of course we are acutely concerned at the moment about the widening of that gap due to those students perhaps not accessing as much learning, despite the efforts of many teachers who, for instance, even drop printed worksheets at their door to enable them to catch up. I assure the noble Lord that in addition to the potential targeted online support, we have also made available this year a further £9 million for the holiday clubs during the school holidays. Those are important in terms of activities but they also provide meals during the school holidays. He will be aware that during this period we have had a voucher system, and over £100 million-worth of vouchers has been redeemed by families who qualify for free school meals.

Lord Storey (LD): If there are local or regional outbreaks of Covid-19 and an area has to be shut down, what plans are in place for the continued schooling and learning of those children, particularly those from vulnerable circumstances or with learning difficulties?

Baroness Berridge: Regionally, the react teams—Department for Education staff along with Ofsted inspectors—work closely with local authorities in looking at the situation for vulnerable children as well as for education in the area. Obviously the scenario for such schools reopening would be dependent on Public Health England guidance at that time, so unfortunately I cannot predict what a response would be to a local lockdown. That will have to be viewed on the scientific evidence at the time.

The Lord Bishop of Winchester: My Lords, I want to highlight another example of educational institution closures affecting the educational attainment of young people, particularly those aged 16 to 19. I refer to the report published recently by the Sutton Trust highlighting the impact of lockdown, with 36% of apprentices having been furloughed and 61% of apprenticeship providers saying that their apprentices had lost out on work and learning. What assessment have the Government made of the impact on apprentices unable to continue on-the-job training, particularly those from more disadvantaged backgrounds? What additional support will Her Majesty's Government offer to these individuals?

Baroness Berridge: My Lords, it is not possible at the moment to assess the full impact of coronavirus on the apprenticeship scheme, but significant flexibility has been introduced so that any training can be delivered

online. If, in accordance with PHE guidance, apprentices can return to work, there is flexibility to allow them to have that training in the workplace. From 15 June, training providers have been asked to provide some face-to-face training to 16 to 19 year-olds if possible, and there has been a comprehensive package of financial support for independent training providers. We are aware of the issues facing the sector and realise that entry for young people into work is a particularly acute issue for them in these situations.

Lord Sheikh (Con): My Lords, when some children go to school, they may experience anxiety, distress or low moods because of lockdown, which may affect their studies. Have teachers been trained to look at these issues? Will the children receive any counselling and will advice be given to parents?

Baroness Berridge: My Lords, we have updated the guidance specifically in relation to mental health and safeguarding to say that mental ill-health symptoms that children exhibit might be connected to a safeguarding issue. Of course in every school there is a safeguarding lead, but there are currently 59 mental health support teams in our schools. There are 123 more in the pipeline, and we aim to train those to enable them to take their place as soon as the situation allows. However, schools are acutely aware of these issues for their children as they return and readjust to learning.

Baroness Coussins (CB): My Lords, I am concerned about the potential for discrimination against pupils who have been studying at a supplementary school for a GCSE in a less-taught heritage or community language. Will all students be able to sit their exam in the autumn, whether or not they were withdrawn on or before 15 May? Will Her Majesty's Government endorse Ofqual's proposal that exam boards be required in the autumn to provide exams in all the languages that would have been provided this summer?

Baroness Berridge: My Lords, it is anticipated that the calculated grades that students receive in the summer will enable the majority of them to progress to the next stage as they had hoped. The noble Baroness is correct that the Ofqual consultation proposal reflects the Government's intention that, for those students who do not believe the calculated grade reflects their attainment, all subjects should be on offer for examinations to be taken in the autumn.

Lord Bassam of Brighton (Lab): My Lords, the Education Policy Institute has called for a catch-up plan to prevent a significant widening of the attainment gap between poor children and the rest of the pupil population. Does the Minister support a one-year doubling of pupil premiums for poorer pupils entering years 1, 7 and 11 and a doubling of the disadvantage funding made available for students set to enter year 13? If not, why not?

Baroness Berridge: My Lords, the Government give £2.4 billion a year at the moment in the pupil premium. As the noble Lord will be aware, there was the announcement of an additional £14.4 billion to schools over the next three years, which will begin to feed its

way into the system. He is correct: we are aware of the need for catch-up and for targeted support, including over the summer, but there is no intention at the moment for schools to be open throughout the summer.

The Lord Speaker (Lord Fowler): My Lords, I regret that the time allowed for that Question has elapsed. We now come to the second Oral Question.

National Risk Register *Question*

11.18 am

Asked by Lord Harris of Haringey

To ask Her Majesty's Government what assessment they have made of national preparedness to respond to the key risks identified in the National Risk Register and, in the light of the experience with the COVID-19 pandemic, what plans they have to produce a routine statement of preparations in response to each risk in the Register.

The Question was considered in a Virtual Proceeding via video call.

Lord Harris of Haringey (Lab): My Lords, I draw attention to my interests in the register, and beg leave to ask the Question standing in my name on the Order Paper.

The Minister of State, Cabinet Office (Lord True) (Con): My Lords, the Government undertake regular reviews of our preparedness for the risks facing the United Kingdom. The national risk register outlines what is being done about the key risks and how the public can make themselves prepared for them. The latest version is being reviewed in the light of the Covid-19 response and will be published when that has been completed.

Lord Harris of Haringey: My Lords, I am grateful to the noble Lord, but most risk registers explicitly show the actions taken to mitigate the risks alongside the risks themselves. None of this is easy because you can never eliminate risks, but it is reasonable that the public and Parliament should know what judgments the Government are taking to protect us so that we can judge whether the response is reasonable and proportionate. What have the Government got to hide in not publishing the actions being taken? If the concern is security, can those actions not be shared confidentially with the Intelligence and Security Committee and the Joint Committee on the National Security Strategy?

Lord True: My Lords, transparency is important but, as the noble Lord knows, the national security risk assessment is a document that has security implications. The national risk register itself has been published since, I believe, 2008. It was not published before. We publish a number of subsidiary documents that give guidance. We work through local resilience bodies and with stakeholders to deliver the capabilities sought in the register.

Lord Browne of Ladyton (Lab): My Lords, human disease pandemics are a registered risk. Since 2018, the Government have had a national *Biological Security Strategy*, which mentions human disease pandemics in its very first sentence. If the Minister has had an opportunity to read this strategy, he will know that its implementation is dependent on the work of the threats, hazards, resilience and contingency sub-committee of the National Security Council. Two years on, this ministerial sub-committee of the NSC does not exist, and it never has. In the absence of this committee, how has the strategy been implemented?

Lord True: My Lords, I am not commenting on the meetings of particular Cabinet committees. The noble Lord, who has a distinguished record in this area, needs to understand that very substantial planning was and is in place for dealing with pandemics. However, the public realise that Covid-19 is a novel virus that has presented different challenges. I am impressed by the remarkable resilience shown by so many people in this country, and by so many authorities, in responding to it.

Lord Taylor of Warwick (Non-Aff): My Lords, diversity should not mean adversity. The Public Health England report of 2 June concluded that BAME communities are at a higher risk from Covid-19. How will the protection of ethnic minorities be prepared for in future in the national risk register?

Lord True: My Lords, I profoundly agree with my noble friend about the importance of these matters. The report from PHE is an important start but, as my colleagues in other responsible departments and the public health authorities have said, we need to build on it and go forward. That stage of work is being undertaken and I would underline the absolute commitment of the Government in this area.

Baroness Altmann (Con): My Lords, the latest risk register, published in 2017, highlighted planning for a flu pandemic as one of the major risks faced by the country. It mentions measures taken to prepare with PPE and infection control protocols. Can my noble friend outline for me, or write to me on, how those protocols and PPE preparations were specifically targeted at the most vulnerable people in the country: those living in care homes or in the social care sector?

Lord True: On the detailed and very important point that my noble friend raises, we will provide her with the details that she asks for. The flu requirement for PPE is slightly different from that for Covid, which is different from flu in its symptoms and hospitalisation rate. My noble friend will understand that—but, again, I believe that the Government have made a determined and effective response.

Baroness Barker (LD): Since 2010, the resources of local government have decreased by 50% but their statutory obligations have not. Will the current review include an updated estimation of the capacity of local government to deal with Covid and other emergencies such as flooding or civil disorder, and will the Government publish that review?

Lord True: My Lords, the role of local authorities—I speak as an old hand—is absolutely fundamental and I agree with the noble Baroness on that. I thank them for what they have done. Their role remains fundamental and I assure her that it will be considered carefully going forward.

Baroness McIntosh of Pickering (Con): My Lords, my noble friend has in effect experienced two civil emergencies this year: flooding and extreme weather, which we saw in the winter, and now the pandemic. There is a potential third civil emergency, which is a Brexit with no trade deal impacting on the flow of medicines into this country. As we have already seen supplies in short measure, owing to the fact that factory production in third countries has reduced, and with the potential for supply chains to firm up and be distorted after Brexit, what measures are the Government taking to ensure the supply of essential medicines in the event of no trade deal on 31 December this year?

Lord True: My Lords, the Government obviously take every action to secure security of supply chains. Without forecasting any outcome, I can assure the noble Baroness—I would be more optimistic than her—that it is a priority for the Government.

Lord Houghton of Richmond (CB): My Lords, given that most major national crises, from foot and mouth, flooding, terrorist attacks and Olympic security to Covid-19, inevitably seem to require military support, especially in command, control and logistics, is now not the time to overhaul the procedures for military aid to the civil authorities and to reconsider relevant military capacity, so as to bring greater professionalism to the overall management of national resilience?

Lord True: My Lords, the noble and gallant Lord makes an important point. In responding to threats since 2016, we have drawn lessons about the involvement of the Armed Forces, as well as volunteers. I pay tribute to the extraordinary role of the Armed Forces in the current crisis and agree with much of what he said.

Lord Whitty (Lab): My Lords, given that the outbreak of a pandemic has been top of the risk register since 2009, do we need not just a list of the mitigation required but the means to deliver that mitigation? We know that there were no standby contracts for the production of PPE or stockpiles of it. We also know that laboratories in the public, private and university sector had not been contacted to establish potential testing facilities. This would apply whatever the nature of the disease. From here on, will those contracts be put in place for any future pandemic?

Lord True: My Lords, the time for learning lessons, which is certainly ongoing, is also for the future. At the moment, the Government are concentrating every muscle and effort on protecting the people of this country against the virus and saving lives.

Baroness Bowles of Berkhamsted (LD): What consideration of the risk register and preparedness plans is made in policy and financial decisions?

Lord True: My Lords, the NSRA and the risk register are continually reviewed and considered in meetings within government. They are an important informative, inside and outside government.

Lord Pickles (Con): My Lords, having reread the 2008 and 2017 editions of the national risk register and the subsidiary documents last night, I hope that my noble friend will not think me unkind when I say that the Government's response to Covid-19 has been effective despite the register rather than because of it. Given that the level of deaths has sadly reached that which the risk register predicted for influenza, I cannot really believe that the measures suggested in the register would have been used. I suspect that they would more likely have been similar to what we have seen with Covid-19. Does he agree that the sections on both corona-type and influenza pandemics should be reassessed and rewritten, and that the rest of the register should be subject to rigorous and unrelenting questioning?

Lord True: My Lords, everything should be subject to rigorous and unrelenting questioning. I agree with my noble friend about updating; it so happens that the current iteration has been drafted and circulated for consideration. But, in the light of what my noble friend said, he will understand that that iteration will come after the full absorption of the lessons and experience of the Covid crisis. But I assure him that its publication will come as soon as possible, once those lessons have been absorbed.

The Lord Speaker (Lord Fowler): My Lords, the time allowed for this Question has elapsed. I congratulate colleagues on the fact that we got through all 10 questions on this occasion. The third Oral Question is from the noble Baroness, Lady Benjamin.

Child Sex Predators

Question

11.29 am

Asked by **Baroness Benjamin**

To ask Her Majesty's Government what steps they are taking to prevent 18 to 25 year-olds becoming child sex predators online.

The Question was considered in a Virtual Proceeding via video call.

Baroness Benjamin (LD): My Lords, I beg leave to ask the Question standing in my name on the Order Paper and declare an interest as a champion of the Internet Watch Foundation.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, child sexual abuse is an abhorrent crime and tackling it is a key priority for the Home Office. We aim to prevent offending by halting the escalation of harmful sexual behaviour in young people. We support the Lucy Faithfull Foundation's Stop It Now! campaign, which signposts those concerned about their behaviour towards confidential support, and the joint project by the Marie Collins Foundation and the Internet Watch Foundation to increase awareness of the law.

Baroness Benjamin: I thank the noble Baroness for her Answer. In April, during lockdown, data from three internet companies serving the UK market and deploying the Internet Watch Foundation's webpage blocking list identified 8.8 million attempts to access known sexual abuse imagery of innocent children. The IWF is essential in preventing internet users, especially young men, accessing—often accidentally—this type of horrific content and going on to commit sexual offences. What are the Government doing to tackle the issue of the estimated 300,000 people who currently pose a threat to children in the UK, and what steps are they taking to encourage smaller ISPs that do not deploy the list?

Baroness Williams of Trafford: The noble Baroness points towards the international response required here. We not only engage with our Five Eyes partners but employ technology for takedown of such images, as do our international partners. We engage with our police and law enforcement agencies to enable the takedown of these sorts of images. On a practical level, we work with NGOs to ensure that children are kept safe online and that some of the things they do online are safe.

Lord Mann (Non-Aff): Evidence to the child abuse inquiry is very clear: major trauma in teenage years can be directly correlated to future dysfunctional sexual behaviour. How will an integrated early intervention strategy for these teenagers fit into government policy?

Baroness Williams of Trafford: The noble Lord is absolutely right to point that out. The evidence is very clear. The obligatory RSE that will start in secondary schools from September will be very helpful in pointing children to what a healthy relationship looks like, as opposed to those encouraged by some of the things they might hear from their friends or see online.

Lord Moynihan (Con): My Lords, sadly this is a problem we need to be alert to in the world of sport. In that context, will my noble friend commend the work of the NSPCC's Child Protection in Sport Unit, which builds the capacity of sports to safeguard children in and through sport and enables sports organisations to lead the way in keeping children safe from harm?

Baroness Williams of Trafford: I certainly will. During this lockdown period we provided funding to the NSPCC which helps parents keep their children safe online too.

Baroness Lane-Fox of Soho (CB): I declare my interests as noted in the register. With an increase in harms to children online during this pandemic, the pushback of the online harms Bill and no date yet set for the code of conduct so tirelessly campaigned for by my noble friend Lady Kidron, when will the Government commit to filling the gaps left by these pushbacks and delays?

Baroness Williams of Trafford: The delays are regrettable. We will come forward with the online harms Bill as soon as we possibly can.

The Lord Speaker (Lord Fowler): Lord Morris of Aberavon. Lord Morris? Baroness Walmsley.

Baroness Walmsley (LD): My Lords, will the Government provide the 10% of funding for the UK Safer Internet Centre currently provided by the European Union after the end of the transition phase of leaving the EU? Childnet gets 50% of its funding from the EU, so is even more vulnerable.

Baroness Williams of Trafford: My Lords, efforts to combat CSA come from a number of funding sources, from the Home Office and elsewhere, and various NGOs. We will base our funding decisions on the best needs of children in this country and how to keep them safe.

Lord Kirkhope of Harrogate (Con): My Lords, I also declare my interest as a long-term champion of the Internet Watch Foundation. There is clear evidence that the chat functions of popular online games and apps are often used by sexual predators to gain access to their victims. Is enough being done by the Government to ensure that parents and those providing these apps and games are aware of the threat?

Baroness Williams of Trafford: We are very concerned about some of these games and apps, particularly those with end-to-end encryption, which means that the CSPs themselves cannot see inside them. Therefore, they and law enforcement may not be able to see evidence of child sexual abuse. The Five Eyes are working very hard to this end.

Lord Rosser (Lab): What specific criteria or objectives have the Government set themselves by which they can be held to account for their success or failure to address the disturbing incidence of child sex abuse and the equally awful reality of child sex predators?

Baroness Williams of Trafford: Even before lockdown began, one of the things that I and other Ministers in the Home Office were most concerned about was not just domestic abuse but child sexual abuse and exploitation online. During lockdown the NCA has continued to target high-risk online CSA offenders. It has executed 47 warrants, made 51 arrests in 21 police force areas and safeguarded or protected 105 children, with 416 devices seized. The NCA has also disseminated 2,600 online CSA packages to UK policing during lockdown.

Lord German (LD): My Lords, in response to an earlier question the Minister talked about the online harms Bill coming before Parliament "as soon as we possibly can." However, we have still not received the response to the Government's White Paper on this matter. Can the Minister assure me that before November this year we will get a response to it? Will the legislation appear before 2022, or will we have to wait that long before we can see a Bill to rectify this matter?

Baroness Williams of Trafford: When I gave evidence to HASC the other week with Caroline Dinéage, she committed towards having it before the end of the year.

The Lord Speaker: My Lords, we have come to the end of the third Question.

Covid-19: Obese and Overweight People Question

11.39 am

Asked by **Baroness Jenkin of Kennington**

To ask Her Majesty's Government what assessment they have made of the number of obese and overweight people dying from COVID-19.

The Question was considered in a Virtual Proceeding via video call.

The Parliamentary Under-Secretary of State, Department of Health and Social Care (Lord Bethell) (Con): My Lords, Britain is overweight. For too long, obesity has been a huge cost to the health of the individual, the NHS and the economy. Covid is a wake-up call. Initial evidence suggests that obesity may be associated with a higher rate of positive tests for Covid, of hospitalisation, of admission into intensive care and, I say with great sadness, of death. The Prime Minister spoke movingly of his experience. The Government remain committed to halving childhood obesity by 2030 and we are looking at other ways of making a bigger impact on this national scourge.

Baroness Jenkin of Kennington (Con): I thank my noble friend for that Answer. Now that Covid has joined diabetes, heart disease and cancer in targeting the obese, I am glad that the Government are finally taking the obesity epidemic seriously. I encourage my noble friend to look at the measures ready now to be implemented, such as chapter 2 of the childhood obesity plan. What advice is being given to people about how to boost their immune systems to improve their general health but also to be ready to combat Covid if it comes for them?

Lord Bethell: My noble friend is recognised for her hard work in this area, and we all admire her championing of healthy living. The CMO's advice is to focus on weight; that is the best way that you can prepare for winter, for the second spike, to defend yourself against Covid.

Lord Brooke of Alverthorpe (Lab): My Lords, I welcome the very firm statement from the Minister and I welcome, too, the Prime Minister's public statement about him accepting personal responsibility for his size. Can the Government, in taking this renewed, stronger position, recognise that the public need to have all the facts that they can about what they are eating and drinking? In many areas, they are left in the dark and therefore cannot make the right choices. On alcohol, for example, drinking has shot up during lockdown, yet people do not know how much sugar there is in alcohol; there is no proper labelling, including on calories. Can the Minister commit to ensuring that, in the review being undertaken, the public will know what choices they have to make and will know the facts about what they are eating and drinking?

Lord Bethell: The noble Lord makes a good case. Chapter 2 of the obesity recommendations makes it very plain that clear labelling and data play a critical and pivotal role in helping people to make choices, but so do interventions on the actual content on the food. We will look at both of those for future options.

Baroness Brinton (LD): Section 8.3 of yesterday's PHE review on disparities and Covid demonstrated very clearly that Covid, obesity, hypertension and diabetes type 2 were all severely raised for the BME community. Given that the Minister said in the House yesterday that this review was just the first step in understanding Covid in our BME communities, what urgent guidance is going to our primary care sector to advise our BME communities on what they need to do?

Lord Bethell: The noble Baroness, Lady Brinton, is entirely right. The review has done an excellent job of laying a path for greater understanding of the disease and is informing the PHE response. GPs already have a very clear work plan for advising BME communities on the threat of diabetes, in particular, and on obesity and healthy living for all circumstances. This will be redoubled during the epidemic that we are experiencing.

Lord Robathan (Con): I welcome the Minister's statement and indeed the leadership shown by the Prime Minister, but we need to take this further and show leadership from everybody in positions of authority and in politics. I particularly home in on health professionals and teachers because, for too long, there has been, I regret to say, a large number of very overweight people in the NHS and in our schools, setting a very bad example to children and people in hospital. People must be encouraged to take personal responsibility. I am afraid that they know what makes them fat, they need to be told what makes them fat and, dare I say it, they need to be shamed for eating and drinking too much.

Lord Bethell: My noble friend is right that personal responsibility and the leadership of those in areas of responsibility are incredibly important. Shame is not a policy that the Government particularly endorse, but I will confess to personally having a sense that I need to lose a stone in order to be match fit for the winter. I commit to my noble friend to undertake this arduous and difficult task over the next three months and will account to him on what progress I have made.

Baroness Watkins of Tavistock (CB): My Lords, global scientific data is clear: obesity weakens immune systems, resulting in increased susceptibility to a range of diseases. Covid-19 has shone a light on the effects of being overweight, and I welcome the Government's concern and intervention for the future. What plans do they have to work with survivors of Covid-19 who are overweight? There is a real risk that many will suffer post-viral fatigue, which will further exacerbate unhealthy lifestyles and could well result in a significant number of subsequent deaths that are in fact associated with the recovery—or non-recovery—period following Covid-19. Will the Government deliver clear and transparent guidance on healthy lifestyles and provide support to overweight people who have survived Covid-19?

Lord Bethell: The noble Baroness is entirely right: there is nothing new to the impact of Covid on those with a high BMI; it is entirely consistent with the impact of other diseases. She is also right that one of the nasty aspects of Covid is its long-term effects, which are not

fully understood yet. Evidence suggests that these may be extremely damaging, and it is true that the Prime Minister has spoken about the impact of Covid on him. I have had pneumonia; I know the long-term damage of these kinds of diseases on people. We are looking very hard at offering the kind of support that she describes to those who have been hard hit by Covid.

Baroness Thornton (Lab): My Lords, as many noble Lords have said, obesity is a significant risk factor in Covid-19. It is critical that we turn the tide on obesity at the earliest opportunity, and this means starting early in life. What steps are the Government taking to implement the measures outlined in chapter 2 of *Childhood Obesity: A Plan for Action?* Will the Minister commit urgently to restart existing plans to reduce salt, sugar and calories in our everyday foods, extend the soft drinks levy to other sugary and high-calorie foods, limit the advertising of junk food to children and ensure that people are not inundated with promotions for unhealthy food and drink?

Lord Bethell: The noble Baroness is entirely right that chapter 2 outlines an extremely thoughtful roadmap for how to address this issue. It is currently being reconsidered. I cannot make the guarantees she asked for from the Dispatch Box, but I can assure her that we are working hard to see how we can use the example of Covid to make progress on this important agenda.

Baroness Tyler of Enfield (LD): My Lords, given the Prime Minister's welcome recent statement that a more interventionist stance is needed to tackle obesity, is the Minister aware of a recent poll by the Obesity Health Alliance showing that 72% of those surveyed supported restrictions on shops promoting unhealthy foods in prominent areas, including checkout areas, and 63% wanted the sugar tax on soft drinks extended to other sugary foods? What plans do the Government have to introduce these measures, working collaboratively with supermarkets and other food retailers?

Lord Bethell: The noble Baroness is entirely right to suggest that Covid might be the infection point—the intervention necessary to wake up the nation to the dangers of obesity. We are keen to use that moment to make progress on this important issue.

Lord Foulkes of Cumnock (Lab Co-op): My Lords, I declare a very personal interest in this issue: a recent *Lancet* article raised concerns that obesity is now shifting severe Covid disease to younger ages. Will the Government put in place public messaging not of shame but of sympathy and encouragement to younger adults?

Lord Bethell: The noble Lord is entirely right to raise the issue not only of younger adults but of children. These habits are formed extremely early and are hard to kick; if interventions are to be effective nationwide, they need to be aimed at all parts of society, particularly younger ages, when people pick up the behaviours of a lifetime.

The Lord Speaker (Lord Fowler): My Lords, I regret that the time allowed for this Question has elapsed. That concludes the final Virtual Proceedings on Oral Questions. I thank everyone who has contributed today and over the last weeks, not only those who have asked questions but the Ministers for answering them. Virtual Proceedings will resume at 12 noon for the Private Notice Question on humanitarian aid to Yemen. Thank you very much indeed.

11.51 am

Virtual Proceeding suspended.

Arrangement of Business

Announcement

12.01 pm

The announcement was made in a Virtual Proceeding via video call.

The Senior Deputy Speaker (Lord McFall of Alcluith): My Lords, Virtual Proceedings of the House of Lords will now resume. I remind Members that these proceedings are subject to parliamentary privilege and that what we say is available to the public, both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. When Members have finished speaking, their microphones will again be set to mute. If we have short questions and answers, we will get through everyone on the list. The Virtual Proceeding on the Private Notice Question will now commence.

Yemen: Humanitarian Aid Funding

Private Notice Question

12.01 pm

Asked by Lord Collins of Highbury

To ask Her Majesty's Government, following the United Nations fundraising summit for Yemen on 2 June, what plans they have (1) to increase their humanitarian aid funding to Yemen, and (2) to make representations to other countries regarding similar funding increases.

The Question was considered in a Virtual Proceeding via video call.

The Minister of State, Foreign and Commonwealth Office and Department for International Development (Lord Ahmad of Wimbledon) (Con): My Lords, the United Kingdom continues to lead the humanitarian response in Yemen. This week, we agreed another £160 million—the third-largest global pledge—which will provide essential care for millions of Yemen's most vulnerable people. Our ambitious support for Yemen since 2015 amounts to almost £1 billion. We have successfully used this leadership to encourage other countries to step up, and we will continue to do so. We will not rest when it comes to solving this conflict and its horrific humanitarian consequences.

Lord Collins of Highbury (Lab): My Lords, I thank the Minister for that response. However, as he knows, the summit failed to reach its target by \$1 billion. Last night, “Channel 4 News” showed how Covid has arrived in Aden and clearly has spread to the rest of the country. What are the Government doing to encourage others to alleviate it, in particular the United Arab Emirates, which is itself contributing to the hardship? Why has it not given money? What is he doing to ensure that the peace process gets back on track?

Lord Ahmad of Wimbledon: The noble Lord makes two important points. I assure him that we share the disappointment over the fact that the target for the summit was not met. He is indeed correct that countries such as the UAE did not announce any donations. However, we continue to lobby those countries to step up, as I said in my original Answer, and we will continue to do so bilaterally.

On the Covid response, the challenge is immense. Yemen was suffering prior to Covid, and it has made the situation worse. We are working closely with the likes of the World Health Organization, which has led the UN Covid-19 response in Yemen. The UN has set out an additional \$180 million-budget to tackle Covid in Yemen. I also assure the noble Lord that we will continue to lobby partners for a lasting peace agreement to resolve the conflict, without which we will continue to have these crisis situations. We are very cognisant of our role as the UN Security Council penholder on Yemen.

Lord Hayward (Con): My Lords, I welcome the Government’s commitment to their contribution, which highlights the failures of other countries. I also welcome last night’s Channel 4 piece, which highlighted the tragedy that is developing in Yemen. Can the Minister say what role the international intervention on Covid in Yemen, and other organisations, can play in the tragic set of circumstances in Yemen?

Lord Ahmad of Wimbledon: I am very much aware of its work there, and it underlines the importance of a collaborative approach on the ground. Some 80% of the population of Yemen needs assistance, and that applies very much to the Covid issue. We also need the involvement of the different parties to the conflict to ensure that we can provide the healthcare support that is required to deal with the Covid challenge. DfID estimates that up to 100,000 people will be impacted directly by Covid, and the death rate will correspond to that. The issue is acute, and we need to act now.

Baroness Smith of Newnham (LD): My Lords, the Minister says that we need to act now, and the Government’s pledge of £160 million is most welcome. Can he confirm that that money will be paid immediately, so that the charities working in Yemen and the UN are able to continue their work without a gap?

Lord Ahmad of Wimbledon: I assure the noble Baroness that we are working on that, and I believe that very shortly we will be able to release the first tranche, which will be 30% of the funding. We are imploring other countries which have made pledges, not just at this conference but last year, to step up and make sure that the moneys are passed on to the UN, so that we can make a difference on the ground.

Lord Singh of Wimbledon (CB): My Lords, with more than half the population facing death by starvation or cholera even before Covid, the suffering in Yemen has been made infinitely worse by the involvement of Saudi Arabia and the supply of western arms. Does the Minister agree that countries that fuel conflict should be obliged to bear the cost of looking after the victims?

Lord Ahmad of Wimbledon: The noble Lord raises an important point about countries in the region and the Kingdom of Saudi Arabia. I was pleased that it participated in the conference, and it has also made a pledge of \$500 million towards resolving the challenge of Covid in Yemen. We look forward to working constructively on the ground with Saudi Arabia and others in the region.

Baroness Blackstone (Ind Lab): My Lords, the Minister referred to our role on the UN Security Council as a permanent member and to our particular role as a penholder on Yemen. Can he say why we have so far failed to broker a ceasefire to end this horrific war, and why we are continuing to supply arms to Saudi Arabia, which is fuelling it?

Lord Ahmad of Wimbledon: My Lords, on the second point, the noble Baroness will be aware that we are not currently supplying any further arms. We are respecting the decision that was taken and we will continue to look at that situation carefully. On the question of resolving the conflict politically, we are working hard at the Security Council to get parties around the table. Most recently, my right honourable friend the Foreign Secretary also spoke with Martin Griffiths, the special envoy, to see what other efforts we can make bilaterally and, as the noble Baroness says, at the UN directly.

Lord Holmes of Richmond (Con): My Lords, can my noble friend the Minister say what further efforts the UK can make in co-ordinating the efforts on the ground to alleviate the desperate suffering felt by so many Yemenis?

Lord Ahmad of Wimbledon: My Lords, I have already alluded to the fact that we are working through UN agencies, and in particular the World Health Organization. However, I implore all parties, including the Houthis, who control the major part of the distribution network, to ensure that we can provide the support and aid that is required across the country.

Lord German (LD): My Lords, already the United Nations has had to suspend payments for 10,000 front-line healthcare workers and halve the food rations for 8.5 million people. What leverage does the Minister think that he and the Government have to bridge this gap, given that UK aid is the same as that given by the US and the third-largest of all the funders in the world? Surely this gives us some increased leverage. Where does he assess that that potential lies?

The Senior Deputy Speaker (Lord McFall of Alcluith): Can Members mute their microphones if they are not speaking? There is a lot of feedback.

Lord Ahmad of Wimbledon: My Lords, simply put, we need to work with other countries in the region, in particular those that have not yet pledged compared to last year—the noble Lord, Lord Collins, mentioned the UAE; Kuwait is another partner, and Oman has influence. We have strong bilateral relations and will continue to work to strengthen those further to reach both the target we have set on the humanitarian front and a lasting political settlement.

Lord Reid of Cardowan (Lab): My Lords, the International Rescue Committee has warned that the case fatality ratio of 24.7% in Yemen is almost four times the global average. Therefore, in addition to the immediate funding aid, it is crucial that the people of Yemen also have access to any emerging vaccines and treatment. To that end, will the Minister detail what steps the Government are taking to promote equitable access?

Lord Ahmad of Wimbledon: My Lords, as the noble Lord will be aware, I am delighted that we, the United Kingdom, under the leadership of the Prime Minister, are hosting the Gavi conference today. We have made a commitment to vaccines: not just to finding a Covid vaccine but to ensuring equitable access to that vaccine once it is discovered. We have also put money behind this. We made a pledge equating to £330 million a year for the next five years for Gavi, which leads on vaccine research and will ultimately lead on equitable distribution once a vaccine is found—particularly in the most vulnerable parts of the world, such as Yemen.

Lord Hain (Lab): My Lords, surely the toxic mixture in Yemen of bloody warfare, extreme poverty, malnutrition, cholera, climate change and religious fundamentalism, and now Covid-19, is also a chronic failure of foreign policy over a proxy battle between Saudi and Emirati-backed Sunni Salafis and Iranian-backed Shias, with al-Qaeda terrorists exploiting the chaos, and the West simply wringing its hands behind the Saudis instead of playing honest broker.

Lord Ahmad of Wimbledon: My Lords, the schism in Islam between Sunni and Shia Islam is well known. We do not believe that our foreign policy should focus on resolving that conflict; we believe that we can bring people to the table and ensure a lasting peace settlement. The noble Lord illustrates well the challenge that we face in Yemen, but that should not deter us from doing everything we can on the humanitarian and diplomatic fronts to bring resolution to a crisis that has gone on for far too long.

Lord Foulkes of Cumnock (Lab Co-op): I want to follow up on the questions asked by the noble Lord, Lord Singh, and the noble Baroness, Lady Blackstone. The Minister must agree that it is a cruel irony that these people, who are suffering from disease and starvation, continue to be attacked with weapons supplied by the United Kingdom to Saudi Arabia and the United Arab Emirates. Incidentally, similar companies are now supplying tear gas and rubber bullets to the United States. The Minister dealt briefly with this, but what review are the Government undertaking of who we supply arms to and what they do with them? It really is an embarrassment to all of us in the United Kingdom.

Lord Ahmad of Wimbledon: My Lords, the noble Lord will be aware that we have a very stringent regime when it comes to arms and arms supplies. It is perhaps one of the most robust regimes in the world and we continue to follow it. There are challenges at times, where we need to review. We have done just that when it comes to the supply of arms to the Kingdom of Saudi Arabia. As I said earlier, those supplies currently stand suspended, respecting the decisions taken in the law courts. Equally, we continue to review our arms sales, not just to our partners around the world but continuously, to ensure that they meet the robust standards that we set.

The Senior Deputy Speaker: My Lords, the time allowed for this Question has now elapsed. The Virtual Proceedings will now adjourn until a convenient point after 1 pm for the Motion in the name of the noble Lord, Lord Eatwell. I thank the Minister and Members for their efficient dispatch of the questions today; we secured all Members' questions.

12.13 pm

Virtual Proceeding suspended.

Business of the House

Motion on Standing Orders

12.30 pm

Moved by Baroness Evans of Bowes Park

That, in the event of the Corporate Insolvency and Governance Bill having been brought from the House of Commons, Standing Order 46 (No two stages of a Bill to be taken on one day) be dispensed with on Tuesday 23 June to allow the Bill to be taken through its remaining stages that day and that therefore, in accordance with Standing Order 48 (Amendments on Third Reading), amendments shall not be moved on Third Reading.

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, the Corporate Insolvency and Governance Bill is an important part of the legislative response to Covid-19. Following discussions through the usual channels, it has been agreed that the Bill will have its Second Reading debate next Tuesday. Noble Lords have until 6 pm tomorrow to sign up to speak. The Bill will then be in Committee on Tuesday 16 June, and on Tuesday 23 June its Report and Third Reading will be taken. Further details will of course be published, but noble Lords will be able to table amendments in the usual way for these stages. This Motion will allow Report and Third Reading to be taken on the same day. I beg to move.

Lord Adonis (Lab): My Lords, can I confirm that the Second Reading will be taken in the Chamber?

Baroness Evans of Bowes Park: The Second Reading will be a hybrid proceeding—in the Chamber and virtually—as all proceedings will be from Monday.

Motion agreed.

Business of the House

Motion to Agree

12.32 pm

Moved by Baroness Evans of Bowes Park

That with effect from 8 June all previous motions relating to Virtual Proceedings shall cease to have effect, that until further Order members may participate remotely as well as physically in sittings of the House (“hybrid House”), and that for the purposes of sittings of the hybrid House:

1. The procedure shall follow, so far as practical, procedure in the House save that—

(a) no member may participate unless they have signed up to the Speakers’ List,

(b) speakers shall be called by the Chair, and

(c) sittings may be adjourned between items or classes of business at the discretion of the Chair.

2. The time allotted for each Oral Question shall be 10 minutes.

3. The time allotted for each Private Notice Question shall be 15 minutes.

4. Debates on motions relating to statutory instruments (including related instruments debated together) shall be time-limited to 1 or 1½ hours, and may be varied in accordance with this paragraph with the unanimous agreement of members taking part in the hybrid sitting at the commencement of that sitting.

5. Motions for general debate shall be time limited to 3 hours and this time limit may be varied by the unanimous agreement of the members taking part at the commencement of proceedings.

6. Notwithstanding Standing Order 40(5) legislation shall have precedence over other business on Thursdays.

7. No amendments to bills may be tabled after the deadline prescribed by the Procedure and Privileges Committee.

8. Notwithstanding Standing Order 30(1)(c), leave may not be granted to a member to speak more than once to an amendment (other than in Committee) to explain themselves in some material point of their speech.

9. Notwithstanding Standing Order 41(2) and (3), messages between the Houses may be sent and received, and a bill sent from the Commons may be read a first time, irrespective of the sitting of the House.

10. A member may table one Topical Question for Written Answer on a sitting day in each week during which the House sits, and it is expected that it will be answered within five working days.

11. With effect from 15 June:

(a) the provisions of Standing Orders 53 (Divisions), 54 (Votes counted in the House) and 55 (Voting in wrong lobby) shall not apply; and

(b) members may only cast their votes through the House of Lords remote voting system, in accordance with guidance to be issued from time to time by the Procedure and Privileges Committee.

12. Notwithstanding Standing Order 62, the Chair may preside over a Committee of the whole House from the Woolsack.

13. The provisions of this Order shall be applied in accordance with guidance issued under the authority of the Procedure and Privileges Committee from time to time, which may vary the provisions of the Companion to the Standing Orders insofar as they apply to sittings of the hybrid House.

The Lord Privy Seal (Baroness Evans of Bowes Park)

(Con): My Lords, on 22 May the House of Lords Commission and the Procedure Committee agreed in principle that the House should begin hybrid proceedings from Monday 8 June. This Motion, which was agreed by the Procedure Committee yesterday afternoon, gives effect to that decision.

From Monday, noble Lords will be able to participate in our proceedings both remotely and, to a limited extent, from the Chamber. To allow social distancing, 30 Members will be able to take part from the Chamber at any one time. Only noble Lords participating physically in proceedings will be able to sit in the Chamber, although a small number of Members will also be able to observe from the Gallery on a first come, first seated basis.

In practice there will be few differences from how we have worked over the past few weeks. Noble Lords will still need to sign up in advance to take part in all items of business, including Oral Questions, Statements and the amending stages of Bills. As I mentioned earlier, noble Lords will be able to speak from the Chamber only if they have signed up in advance and their name appears on the speakers’ list. It will be assumed that Members will continue to take part in proceedings remotely unless they indicate otherwise, so, once they have signed up to speak, noble Lords must let the Government Whips’ Office know if they wish to be physically present. It will be for the individual parties and groups to reduce their number of speakers if more Members wish to speak from the Chamber than there are spaces.

The Procedure Committee will issue full guidance later today, and I urge all noble Lords to read it before Monday. The committee will keep the guidance under review as we make the transition and will of course update it if and when necessary.

I stress that, as more Members start returning to the House, it is imperative that our proceedings remain compatible with the public health guidance, particularly in respect of social distancing. This is not just for our benefit but for that of the staff who support us, many of whom will be coming into work from next week to support our move to a hybrid House.

I am pleased to tell the House that good progress is being made in developing our remote voting system. Training will be rolled out to Members next week and there will be full tests of the system. I ask noble Lords to please keep their eyes out for any information relating to remote voting, so we can help ensure that everyone can use the system once it goes live on 15 June.

I put on record my thanks to the Clerk of the Parliaments and the staff of the House for all the work they have done, including through two consecutive recesses, to ensure the House has been able to function

as well as it has. It has not been easy at times, but we are all very grateful for their hard work. I also personally thank Victoria Warren, Ben Burgess and Anishaa Aubeeluck in the Government Whips' Office for their incredible work over the past few weeks. We all owe them a debt of gratitude for helping to ensure our proceedings have run smoothly. I beg to move.

Baroness Hayter of Kentish Town (Lab): I start by thanking the noble Baroness for introducing this and ask her to pass on our good wishes for a speedy recovery to her Cabinet colleague, the Business Secretary, whom we just hope does not have the virus. Even the thought of that is testimony to the good sense of the Leader's Motion and the work behind it, which will enable this House to continue to function with all our Members able to participate, whether or not they are having to shield or isolate for any reason. It is vital for the work of Parliament. As I know the noble Baroness agrees, it really would not be fair to exclude any Peer on the basis that their age, their caring or other responsibilities, their or their family's disability or other risk factors or the demands of public transport made it difficult or dangerous for them. In fact, maybe we have a lesson for the Commons in this respect.

Of course, the hybrid system cannot match our normal practice. That is one of the many fallout from the virus, though less serious in its effects than others. In particular, we will miss spontaneous interventions—that might perhaps be a relief to Ministers—which is why, I am afraid, I have a specific plea to make to the Leader of the House.

As it will not be possible to press a Minister who has failed to respond to a point, there is an extra responsibility on every Minister to respond to the points made—something, I am sad to say, we have not always seen of late. Perhaps because there will be no comeback, we have seen some Ministers brush aside questions or concerns in a way that undermines our scrutiny function. Perhaps the noble Baroness could use her good offices to ensure that Ministers always address the points made or, if they really cannot at that moment, follow up with a letter—as indeed some Ministers do. It is a time of national crisis and we have seen information given to journalists, before Parliament and sometimes even straight to camera with no chance for questions. That is not a healthy way to proceed and, vitally at this time, does not make for good decisions. That is why what we do here remains of great importance.

We welcome the Motion and the ability to vote as well as speak remotely. I hope that the spirit of debate, accountability and questioning will be welcomed by the Government and that Ministers will take their responsibility to the House seriously.

Finally, I take this opportunity to thank the staff, and the Peers on the committees mentioned who have been involved in these changes, for all their work in making it possible. It seems they have thought of everything, even remembering to allow a Speaker to take Committee from the Woolsack rather than having to move—I love that level of detail. Careful marshalling is going on outside the Chamber in the walkways and facilities. All that does not happen by accident; it takes planning, but it also takes boots on the ground. I am very conscious that the staff I have seen here this

morning—from the cleaning and facilities staff to the clerks and the PPO—have to travel by public transport to come here in order that we can continue to meet. Our thanks are due to them all and to the Government Whips' Office, as the noble Baroness mentioned. I hope our thanks can be passed on to them all.

Lord Newby (LD): My Lords, I also thank the Leader of the House for moving the Motion. There are lots of details in it, but I want to make just four general points. First, I join other noble Lords who have spoken in thanking the staff for their work in getting us to this position. Change in your Lordships' House is not readily embraced as a matter of principle, but over the last couple of months the degree of change has been phenomenal. That has been possible only because a large number of staff have worked extraordinarily hard, not least during the recesses, and I pay tribute to them for that.

I also thank them for their customary good humour in dealing with the frustrations that Members have sometimes felt about the way things have worked, which have sometimes boiled over on to them. It has been very much welcomed by me and everyone else. It has been a stressful time for a lot of people, not least for Members who are at home with the peculiar stresses of not being able to go out and desperately keen to play their normal role in your Lordships' House.

This brings me to my second point. Having got this hybrid system up and running—which I am sure will be done smoothly—I hope that we retain it until all noble Lords who wish to attend can attend and are no longer subject to advice that, for health reasons, they should remain at home. Obviously, given the age profile of your Lordships' House, there are more people in that category here than in another place, but it should be a matter of principle that all noble Lords who wish to participate can participate, and that we have a system that enables them to do so, even if, in some cases, they cannot be here for a considerable number of months.

Thirdly, the rules that we are agreeing today are extremely tight and prescriptive. That is inevitable, because we need a system that we can make work from next week. However, I suspect that as we use it—just as has happened a bit with Oral Questions—we can ease some of these restrictions so that we can get back to a position where debate in your Lordships' House takes place in a relatively flexible manner. The obvious thing about this is the circumstances in which people can make interventions. Obviously, it is not going to be possible to have the normal interventions when you have tens of people watching distantly, but I hope that we can begin to move, in the light of experience, towards a slightly less rigid approach, because that is the essence of debate, and until we do, we will still be suffering some constraints.

Finally, the one outstanding issue which must be resolved is that of allowances, which I realise is an extremely vexed question. The only point I wish to make is that it is unacceptable to me that we should have a system which leads to a position whereby only those with resources, those who are retired and those who live in London can regularly come to your Lordships' House. I think that this is common ground, but getting

[LORD NEWBY]

back to a system in which people are paid an allowance that allows everybody to participate fully is a top priority. We have agreed in the commission to come forward with revised proposals on allowances. We are beginning those discussions and have said that we will do so by the end of the month. Given that Members are already asking on what basis they will come if they are travelling several hundred miles, I hope that we can get a resolution to that question well before the end of the month, so that we can give a degree of certainty to Peers on what basis they can participate. Having said that, I repeat that I support these proposals, and I thank the staff and all those involved in getting us to this position so speedily.

Lord Adonis (Lab): My Lords, I will make three preliminary remarks before coming to the Motion itself.

First, I echo what was said by the noble Lord, Lord Newby, the Leader of the House, and my noble friend Lady Hayter, in respect of the staff of the House, who have done a magnificent job. Also, I know that he does not like this, but I want to mention the Clerk of the Parliaments, who has presided over a really impressive operation. His letter to noble Lords, which he has been sending out—we are now on the third edition—is very welcome. It is important when we are going through fundamental changes like this that we keep an information flow, and his regular updates have helped noble Lords understand what is going on, and have made it easier for them to have input, in terms of improvements.

12.45 pm

Secondly, I welcome the fact that the Government in this House have not politicised the arrangements for moving towards a hybrid House. Obviously, the Minister cannot comment on this, but there is a feeling that there has been politicisation in the House of Commons. The scenes of voting in the House of Commons two days ago the public regarded, frankly, as not only disgraceful but also totally unnecessary. If there had been a hybrid voting system, as the House of Commons had in place before, it would not have been necessary. It is important that our focus, relentlessly in dealing with these matters, is on our public duty in dealing with the crisis and our role as parliamentarians in keeping Parliament going during it, and not making rather cheap party points, as has happened elsewhere.

Thirdly, there is now a consensus that we should have a hybrid House, and therefore I am not going to oppose the Motion here, but it is becoming clear that a philosophical issue underlies the arrangements for the hybrid House, which will underlie the further points I wish to make. Is the hybrid House conceived of as one House where the lowest common denominator applies and therefore, because it is not possible for Members participating remotely to intervene or engage in any spontaneous activity of any kind, nobody should be permitted to do so? Or, should we, as I believe, do the maximum that we possibly can in terms of performing our parliamentary duties within the new arrangements? It seems palpably absurd that, by instilling these rules, which I suspect may end up being broken, noble Lords

in the Chamber will not be allowed to intervene or press Ministers on the Floor of the House as they normally would.

I look forward to seeing what will happen. Maybe we will have an imposition of order from the Woolsack, which has never happened in the House before. When noble Lords try to perform their duties, will they be in some way restrained from rising, intervening and asking Ministers questions? It is absurd to do so. I do not like the idea, and I want to press the Minister more: even with a limited physical presence, there will be a restriction on people participating in debate. As I said when we first debated these arrangements, the restriction on noble Lords participating in debate is a fundamental undermining of the traditions of this House which go back centuries. We should be very wary of allowing these restrictions unless they are technologically imperative, because once they are in, they will be continued. That always happens with arrangements of this kind, and they will mark a fundamental movement of power away from noble Lords to party whips and party leaderships, which is not how this House should behave.

My specific question, which goes to the heart of this, is that we have restrictions on debates at the moment because of the technological requirement not to have more than 50 people online, but will there be restrictions when noble Lords are able to attend in the Chamber too? The Minister mentioned that we are having a Second Reading next Tuesday. Will there be restrictions on the numbers who can participate in that, even though it is possible to participate in the Chamber? If so, that will be the first time in the history of this House that noble Lords have been prevented from speaking on the passage of legislation, and that is a whole order more serious an issue than participating in debates, because we are first and foremost a legislative Chamber; we make the law, partly by votes but also, crucially, by deliberation and debate. Although it is not possible to contest these arrangements today, I put on record that if noble Lords are going to be prevented from speaking in debates on legislation, that will be not only unpopular in the House, but also a very serious and grave move that is not justified in the circumstances when it is possible for noble Lords to participate in the Chamber as well as virtually.

This leads to my final point, which concerns the need to keep these arrangements under review and to learn pretty swiftly from practice in the next week or two in making changes. The Motion itself is not time limited. It says that the new arrangements apply until further order. How will these proposals be kept under review, and how can noble Lords who are not members of the Procedure Committee have input?

Given that these rules apply until further order, the great problem is that they then become the status quo. That is the big problem that we will be wrestling against. It is very hard, particularly in this place, to change the status quo. I would very much welcome anything that the noble Baroness can say about the process for review and the timescale in which concerns raised by noble Lords can be formally responded to and acted on.

As a final point, we have two duties in conducting the business of the House in this crisis. The first and overriding duty of course is to perform to the best of

our ability our parliamentary functions in the framework of the crisis that we face. Therefore, the social distancing and other changes that we have made are clearly important. But within that we have a second duty, which is to continue to maximise the role that we play on behalf of the public. My concern is that these arrangements, like the previous ones, have not gone to the fullest extent of allowing us to perform our role within the physical and technological constraints that we have. While that might have been acceptable as an emergency for a matter of weeks, if these arrangements will be in place for some months there will be pushback from noble Lords if they will be restricted from participating in debates, particularly on legislation.

Lord Stoneham of Droxford (LD): My Lords, as a representative of the usual channels, I also join in congratulating the staff on all the work they have done to get us to where we will be next week. It has been an amazing effort and has exceeded most of our expectations about what could be achievable in the time. I thank them.

It is very important not only that the House moves forward to normality as soon as it can, but that we have the possibility of retreat if the virus strikes again in London. The role of the Lords in the next few months will be very important: not only do we have scrutiny of all the legislation coming through as a result of the crisis, we then have an important period when all the legislation associated with the end of the transition period—when our final retreat from the EU will take place—comes to the House. It could not be a worse time for this country to be standing alone, without accountability of the Government on the arrangements for which they will be responsible.

The Lords has moved in the past month from sitting from three days to four days and we are now sitting from 11 am until 7 pm pretty much normally, so terrific progress has been made in returning this House to normality so that we are now almost fully engaged in the proper legislative process. The usual channels accept that the Government are under extreme pressure to get legislation through, not only in time for the end of the year, but on their whole general election programme. I therefore join in the remarks that my noble friend Lord Newby made on allowances, because the House is not yet operating fully effectively. One reason for that is the distortions of the interim allowance system. Too many people are speaking because that is the only way that they can earn their allowance. We have a ridiculous situation today when there is an important debate on the implications of the coronavirus and we are limited to two minutes. There is another debate that is almost as important on Hong Kong and noble Lords are limited to one minute. That is ridiculous and a denial of the scrutiny role that we should have in this House. This is not the first time; it has been going on for a number of weeks. As a result, with such extreme time limits, far too many good people are not bothering to speak, so we are not hearing their contributions. We must address this.

There is also a PR problem. Each time we make minor changes to the interim system, we get even more criticism, which undermines the House's reputation.

It will get worse unless we resolve it. We have had nearly three months of an interim system and we need to address it. It is important to do that so that we value the work that we are doing in this House and it is recognised. We must deal with the financial problems that we are creating for a small number of people and with the implication that the House is brought into disrepute every time we make a minor adjustment.

Although we obviously support the hybrid Parliament and all the moves that have been taken today, we fear that unless the allowance system is dealt with, some of this good work will be undermined. We need to have that top of the agenda for the commission in the next couple of weeks so that we can reform the interim system before the end of this month.

Lord Kilclooney (CB): My Lords, I thank the Leader of the House for her statement and I associate myself with colleagues from all the other parties' praise for the staff and the way they have reorganised the facilities in the building. However, I find it rather difficult walking around the Corridors getting lost and being told to keep to the left all the time. Politically, that sends a funny message to me, coming from Northern Ireland.

I have one brief question about the voting system. I can understand that those who are participating in Virtual Proceedings and will vote remotely, what about those colleagues who are here in the House, personally, in hybrid sessions? Will they vote in the normal, traditional manner?

Baroness Evans of Bowes Park: I thank noble Lords for their contributions, and I thank the noble Baroness for her best wishes to my right honourable friend. Like her, I hope very much that he has had bad hay fever as opposed to anything else. I also assure her that I will reiterate to the Front Bench the importance of addressing points put to them. I know they all take their responsibilities extremely seriously and I thank them for all their hard work and the dedication they have shown over the difficult few weeks we have had.

Noble Lords asked various questions about the hybrid House. The Procedure Committee will meet regularly to keep the processes under review and will of course update guidance when necessary. During this whole process, noble Lords have been putting ideas to the Procedure Committee, which are also passed on through the relevant party groups. We all welcome that. During Procedure Committee meetings a number of suggestions have been made by Back-Bench Peers about how to improve processes. I continue to encourage noble Lords across the House to do that.

I hope that we have shown our ability to adapt and improve proceedings. Although they are by no means perfect, things have improved over time and I think that we finish our solely virtual proceedings in a much better state than when we started. Indeed, our move from virtual to hybrid is another example of where we are adapting and moving forward. As public health guidance changes and we can look to move our processes forward we are doing so. I certainly hope that we have shown that we can adapt and will continue to do so.

[BARONESS EVANS OF BOWES PARK]

Having said that, as I said earlier, we have to remain compliant with public health guidance. The noble Lord, Lord Newby, pointed that out. We will keep things under review and keep trying to move things forward, since I know we all want to return to real normality as and when that is safely possible.

The noble Lord asked about interventions. This was discussed at the Procedure Committee and it was decided that, for hybrid proceedings, there should be parity between Members who take part remotely and those who take part physically. As the noble Baroness rightly said, Members have got used to our Virtual Proceedings, so I think that as we get more used to the hybrid proceedings and see how they work, we will all become more comfortable with them. This issue has certainly been raised by Members across the House, and I am sure it is something to which we will return, to see how we can do it within the confines of the broadcasting and administrative help and support that we need.

The noble Lord also asked about participant numbers. We will be able to increase the number of participants for things such as Second Readings because we will retain the limit of 50 Members participating virtually and there will be a limit of up to 30 Members in the physical proceedings; the number of contributors will therefore increase to 80.

Again, I thank all staff and the Clerk of the Parliaments, and I stress that there are restraints on what we are doing. This is not an attempt to stop Members participating fully, but we have to recognise the incredible work that is going on, and the very long hours that are being put in, to help us do what we are doing. We are—I am sure the Clerk of the Parliaments does not need to nod—pushing the boundaries in what we are asking to be done, but we have to appreciate and understand that there are real constraints. This is not about shutting things down; this is about practicalities. As the noble Lord said, the letters from the Clerk of the Parliaments try to explain the nuts and bolts of what is going on, and I hope that reassures him that that is the situation we are in.

On remote voting, all voting will be done remotely whether noble Lords are virtual or within the House. Next week, everyone will be trained. We will make sure that a lot of information is available, but all voting will be done remotely, as that is the simplest system. It also means that staff do not have to be in the Division Lobbies. That is the decision that has been made for the foreseeable future.

I thank noble Lords for their contributions. I know people are finding it frustrating—we all are—but I genuinely think that we are doing a good job. We are doing our best in the circumstances. I am very grateful for the constructive work that we have done across the House through the usual channels, the House of Lords Commission and the Procedure Committee. We want to return to normal life when we can, but I hope noble Lords will agree that, despite the frustrations, we are getting our job done and doing business for this country. I beg to move.

Motion agreed.

European Union Committee

Secondary Legislation Scrutiny Committee *Membership Motions*

1.02 pm

Moved by Baroness Evans of Bowes Park

That Lord Goldsmith and Lord Thomas of Cwmgiedd be appointed members of the European Union Committee in place of Lord Jay of Ewelme and Lord Morris of Aberavon.

That Lord Rennard be appointed a member of the Secondary Legislation Scrutiny Committee in place of Lord Kirkwood of Kirkhope.

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, with the leave of the House and on behalf of the Senior Deputy Speaker, I beg to move the two Motions standing in his name on the Order Paper.

Motions agreed.

Automatic Enrolment (Offshore Employment) (Amendment) Order 2020

Occupational and Personal Pension Schemes (Automatic Enrolment) (Amendment) Regulations 2020

Weights and Measures Act 1985 (Definitions of “Metre” and “Kilogram”) (Amendment) Order 2020

Payments to Farmers (Crop Diversification Derogation) (England) Regulations 2020

Northern Ireland Banknote (Designation of Authorised Bank) Regulations 2020

Victims and Witnesses (Scotland) Act 2014 (Consequential Modification) Order 2020

Motions to Approve

1.02 pm

Moved by Lord Parkinson of Whitley Bay

That the draft Orders and Regulations laid before the House on 16 March, 25 March, 30 April and 6 May be approved. *Considered in Virtual Proceedings on 19 May, 20 May, 2 June and 3 June.*

Relevant document: 14th Report from the Secondary Legislation Scrutiny Committee

Motions agreed.

House adjourned at 1.03 pm.

Covid-19: Economy

Motion to Consider

1.10 pm

Moved by Lord Eatwell

That the Virtual Proceedings do consider (1) the economic lessons learned from the COVID-19 pandemic, and (2) the measures necessary to repair the United Kingdom economy.

The Motion was considered in a Virtual Proceeding via video call.

The Deputy Speaker (Lord Russell of Liverpool) (CB):

My Lords, Virtual Proceedings of the House will now resume. I remind Members that these proceedings are subject to parliamentary privilege and that what we say is available to the public both in *Hansard* and to those listening. I remind participating Members that their microphones will initially be set to mute and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. Members may now need to accept an on-screen prompt to unmute their microphone. When Members have finished speaking, their microphone will again be set to mute.

The Virtual Proceedings on the Motion in the name of the noble Lord, Lord Eatwell, will now commence. This is a time-limited debate. The time is limited to three hours.

1.11 pm

Lord Eatwell (Lab): My Lords, to repair the UK economy, we must learn the lessons of the past dreadful months. The new normal cannot be the same as the old normal. We are today enduring the second major economic crisis in 12 years. The global financial crisis of 2008-9 saw UK income fall by 5% in one year, and the government deficit rise by £110 billion. In due course unemployment rose to 8%. This year the Bank of England expects GDP to fall by 14% in one year and the government deficit to rise by £250 billion. Unemployment will soar to 10% or more as the furlough scheme winds down; that is about 3.5 million people unemployed.

In 2008-9, thanks in no small part to the efforts of my noble friend Lord Darling, the financial system was stabilised, the decline in GDP was arrested and by the first half of 2010 the UK economy was growing at an annual rate of a little under 3%. We won the war; but we lost the peace. The coalition Government's austerity budget of June 2010 killed the recovery stone dead.

The past 10 years have been the worst decade for the economy since the war. Productivity stagnated, real household income barely grew at all, inequality rose inexorably, local government and social services were starved of resources, and persistent underinvestment meant that the NHS had to take on the pandemic in a seriously weakened state. Now we are fighting a battle against Covid-19. Talk of a trade-off between beating the virus and boosting economic recovery is seriously mistaken. Without an effective lockdown or an effective "test and trace" system, the economy will not recover. With ineffective measures and many new cases every day,

most people will stay at home. The idea of cash-strapped workers being forced back to work in unhealthy conditions is abhorrent. You cannot restart the economy without having the virus under control.

How, then, do we assess the cost of this disaster? The cost is not the £250 billion increase in the budget deficit. That is the financial consequence of government policy; it is not the economic cost to the British people. The real cost of the shutdown is the loss in real GDP, right now and in the medium-term future. It is the loss of the output of goods and services resulting from people being forced to stay at home, retail and hospitality being forced to close, airlines and factories falling idle, the collapse of companies that are vital parts of the supply chain, and so on.

A fall in output of 14% means that, on average, the income of every man, woman and child will go down by 14%. That is a cut of more than £4,500 in the disposable income of the average family this year. We all know that the cut will not be spread evenly, on average. Unless something is done, even greater costs will be borne by those who, through no fault of their own, have lost their jobs or lost their businesses—everyone whose source of income has disappeared. In these circumstances spending by the Government to sustain demand, support employment and enable firms to survive is not a cost to society at all. If the increase in the national debt reduces the loss of real GDP, that is an economic and social gain. It is not a cost; it is a benefit.

Of course, the Government's financial measures will not be costless if they in turn have a reverse effect that leads to a reduction in GDP. Given the increase in national debt, the "deficit hawks" will demand a new austerity to pay for it all. They should be ignored. The deficit will fall steadily as production levels are restored. The debt-to-GDP ratio will likewise fall over the years ahead. Further austerity will just add to the terrible cost of the pandemic. Of greater concern is the likelihood of negative feedback from the financial services industry, enforcing bankruptcy, especially on small and medium-sized firms, and further depressing output.

Our financial sector places the highest premium on liquidity—on the ability to get its money back easily. Banking logic will be to foreclose on non-performing loans, forcing viable companies out of business. The measures that have been put in place by the Government to protect industry are a temporary band-aid. The loan schemes are loading up company balance sheets with debt. It is estimated that around half of them will default, deepening the recession. There is no path to recovery that is paved with bankruptcies.

As and when the economy does begin to recover, the Government will be faced with significant fiscal management challenges. It will need to relearn forgotten skills in managing tax-and-spend to secure the largest possible output and the flow of resources to where they are needed most. Carefully sustained demand pressure is needed to provide a profitable platform for reconstruction and recovery, and to leave space for the Bank of England to concentrate on the maintenance of financial stability. We must abandon the pretence that minimal interest rates and quantitative easing stimulate output. Instead, they wreck pension schemes, push up house prices and stimulate the Stock Exchange.

[LORD EATWELL]

What have we learned about our economy and society in the past four months? We have learned that our NHS is not funded in a sustainable manner so that it can protect us. We have learned that our social care system is neglected, fragmented and underfunded. We have learned that the unemployment and benefits system is unable to safeguard livelihoods when incomes collapse unexpectedly, particularly for those in the gig economy or the self-employed. We have learned that malignant inequality is manifest not only in income, housing, and opportunity, but in death from the virus. We have learned that our system of government and politics fails to produce the co-operation needed to prepare us for the next crisis.

We have also learned the damaging consequences of current economic policies. Governments have steadily removed the regulations and norms that provide protection when the lifeblood of our society is threatened, whether that lifeblood is biological, environmental or economic. In the pursuit of short-term efficiency, we have created a world more easily prone to shocks, but with fewer buffers to cushion those shocks. Pandemics are today not just biological; they are economic and environmental too. In sum, we have learned that our economy and our society are not resilient. Resilience will require a new form of political economy.

Every company manager worth their salt has a disaster recovery plan prepared for his or her firm, but only the state can protect us against the consequences of systemic disasters. We learned that in the 2008 financial crisis, and we are learning it all over again today. We must begin by building resilient social services—notably, but not exclusively, the NHS and social care. That includes restoring the local public health system that has been disabled by the 60% cuts to local authority budgets in the past decade. The Government's emergency grants cannot re-magic that sort of capacity overnight. No wonder it is proving so difficult to implement an effective test and trace system. Resilient social services will require well-trained, well-paid essential workers. Can the Minister explain why, when Britain was hit by the virus, the NHS was short of 50,000 nurses?

Ensuring a resilient labour force will require short-term and medium-term action. A recent report from the London School of Economics reveals that what it calls the "Covid generation" was already suffering falling real wages, fewer opportunities, and stagnant or declining living standards. Now that the crisis has drastically worsened economic and education inequality, young people are even less likely to climb the income ladder and less likely to fulfil their potential, regardless of their background. Are the Government prepared to introduce a job guarantee scheme for those facing long-term unemployment and catch-up tutoring for disadvantaged youngsters? The Bank of England is the backstop for the financial sector. Will the Minister tell us what will now be the employment backstop for Britain's youth?

Rebuilding our economy will require a resilient financial system, by which I mean not just stable financial markets but a financial system that does its proper job in funding and supporting industry—supporting the production of the goods and services on which our standard of living depends.

All noble Lords will be painfully aware that the Government's management of the pandemic compares very poorly with that of Germany. In Germany there have been around 7,500 deaths; in Britain there have been 50,000-plus. The economic comparisons are also disheartening. Similar amounts of government funds were provided in Britain and Germany to support small and medium-sized firms. In Germany the funds flowed readily; in Britain they did not. The reason was the superior German pipeline. The banking system there is accustomed to investing in industry, aided by public institutions. In the UK, the banking system proved once again that it is not up to the job.

What will the Government do to ensure that small and medium-sized industry can invest and grow, confident in the availability of the sustained, resilient financial support it needs? Does the Minister agree that what is needed at all levels of industry is not more debt but more equity? What principles would guide the Government to provide the equity support that British industry, large and small, desperately needs?

Of course, Britain is not alone in facing new economic challenges; the global health emergency is also a global economic emergency. Achieving a resilient Britain demands a resilient international trading system, but world trade is forecast to contract by 34% this year. The pandemic has exposed severe weaknesses in global production and trade, just as the crisis of 2008 exposed severe weaknesses in global financial markets. Countries are turning in on themselves. Facing a hostile United States, the WTO is falling apart, with its director-general resigning a year ahead of time. After the 2008 crisis, a massive international effort, led by Gordon Brown, put in place a regulatory system capable of stabilising international financial markets. How do the Government plan to rebuild Britain's trading relationships in a more resilient manner?

Finally, we all must recognise that a resilient economy must be a sustainable economy. Just as the pandemic, serious though it is, is but a warning of other potential biological disasters to come, the floods of winter, the heatwaves of summer, the melting of the ice caps and the fires in Australia are but the warnings of environmental disasters to come. We are woefully unprepared. The pandemic is an alarm call—a warning that we must build a more resilient economy. That will not be easy to do or to sustain. Resilience will cost money, and the pressures of competitive markets and short-run economic efficiency will erode our commitment to prepare for the shocks that will occur, at some unknown date in the future.

We must forge a durable public and political consensus behind resilience, otherwise short-term economic priorities and electoral cycles will soon get in the way. As the emergency fades in the memory, the stocks of PPE will again be slowly whittled down, the NHS squeezed again, social care returned to being a national disgrace, local public health officials starved of resource and experts ignored, and inequality will be on the rise. This must not happen again. We must win the war, and this time we must win the peace.

1.27 pm

Lord Horam (Con): I think that there is a general acceptance that the Chancellor and the Treasury have risen to the challenge posed by the pandemic. I want to make two points.

At the moment, we are borrowing awesome amounts but it is not a unique situation. In 1950, as a result of our efforts in the Second World War, debt was 250% of GDP. That did not prevent Harold Macmillan building 300,000 houses a year in the mid-1950s or, in 1959, winning an election on the slogan “You’ve never had it so good”. In effect, the debt was quarantined—to use an apposite word—and was not repaid for another 60 years. We should do the same today.

There will come a time when tax rises are needed and, when it comes, I hope that we will devise a tax system that is fairer than the one we have at the moment—for example, with the taxation of capital gains and dividends as opposed to wages and salaries—but that point has not yet been reached. Indeed, I think that at the moment there is a case for tax reductions. For example, a temporary reduction in VAT to boost consumption should certainly be considered. I also think that we should relax the social distancing rules, as my noble friend Lord Lamont has suggested.

My final point is that I am very concerned about the post-industrial towns of the north, the Midlands, Wales, Scotland and Northern Ireland. I was born in one of them—Preston in Lancashire. They are proud towns with a proud history but they need help. I am referring to the levelling-up agenda, bringing them more skills and more infrastructure. Therefore, when the Minister winds up this debate, I want him, once again, to give a commitment that the levelling-up agenda will remain at the forefront of, and central to, our economic plans.

1.29 pm

Lord Oates (LD): My Lords, I am grateful to the noble Lord, Lord Eatwell, for the opportunity to debate the economic issues arising from Covid-19. I thank him for his excellent and powerful speech.

Sadly, through no fault of the noble Lord, for most of us this is a highly truncated opportunity in which we have just two minutes to attempt to discuss this enormous issue. This follows a debate on 30 April, when Peers were given one minute to debate the impact of Covid on people living in poverty. On 12 May, we had just two minutes to discuss our future relationship with the European Union. Day after day, we have had similar speaking times which do not offer the slightest prospect of properly holding the Government to account. This is the dismal state at which the House of Lords has arrived. Despite repeated requests, 74 days after the lockdown began, the Government have failed to arrange a meaningful debate on the greatest crisis faced by this country since World War II. This is an astonishing state of affairs and, if we allow it to continue, the role of this House will be further diminished.

In the time that I have left, and on a more positive note, I welcome the early and decisive actions taken by the Chancellor to support the economy. Although there are some gaps in support, which my noble friends will highlight, his early action has undoubtedly made

the lives of many better than they otherwise would have been. Nevertheless, the hardest part is likely to be in the next phase. It is estimated that between 1 million and 2 million people have already lost their jobs, and many more are likely to follow. In this context, will the Government urgently publish detailed plans for a job-rich economic recovery? In particular, can the Minister indicate if the Government intend to bring forward proposals for a nationwide programme to improve the energy efficiency of existing homes? This could provide tens of thousands of jobs and will be critical to meeting our net zero targets. Will the Government also look at urgent investment to accelerate research into cost-effective production of clean hydrogen, so that it can play an effective part in our decarbonisation plans?

This crisis reminds us how fragile is our control of the environment in which we live. We must use this timely reminder to inspire urgent and concrete action to tackle climate change and protect the future of generations to come.

1.31 pm

Lord Harries of Pentregarth (CB): My Lords, I do not believe that the economic lessons to be learned from this distressing time can be separated from wider social and moral issues. The economic health of the country depends significantly on the well-being of society. If people are feeling good about the society they live in, believe it to be fair and are proud to belong to it, this will feed into our economic policies and performance.

The most encouraging feature of this terrible time is the way in which key workers are being properly recognised and valued—first, of course, those in the NHS and in care homes, but also those who work in maintaining transport and other public services. We have experienced the essential nature of their work, but if its value is to be more than a clap once a week, it must take tangible and lasting form. Some in these sectors receive a reasonable reward for their work, but there are others who clearly do not. Care workers, for example, can be paid as little as £7 an hour. We have seen their devotion to duty in recent weeks: many have left their families to live with the residents of the home to cut down the risk of infection. The current national minimum wage is £8.75 an hour. However, the Living Wage Foundation calculates that a real living wage is £9.30 an hour, and £10.75 an hour in London. This is little enough for someone to live on and perhaps support a family. I believe that the Government should at least set a new benchmark of a real living wage, as opposed to simply a minimum wage.

Some inequalities in society are inevitable and may even be justified. What had eroded public confidence before the epidemic were the gross and growing inequalities, with some people receiving vast bonuses even when their companies were clearly failing. This undermines social solidarity. The well-being of a country depends significantly on people feeling confident that it is, in a rough and ready way, a fair one. We have heard that “we are all in it together” in combatting the virus. Let us have a future in which this is expressed in economic terms.

1.35 pm

The Lord Bishop of Chelmsford: My Lords, I want to follow the noble Lord, Lord Harries, in speaking about vision. The word “economy” comes from two Greek words: “oikos”, meaning household, and “nomos”, meaning law. Its literal meaning is “the law of the household”. A good economy is meant to be like a well-run household, where things are shared fairly and where everyone is catered for according to their needs. In a family, it is unthinkable that some are fed while others go hungry. Moreover, each member gladly makes the sacrifices necessary to contribute to the whole. These ideas of a common good, belonging to each other and mutual responsibility were a unifying force in the post-war consensus that created the welfare state. They had their roots in Christian social teaching.

As has been said, our last crisis did not lead to such a vision. After the financial crash 12 years ago, the banks were bailed out with public money, but it was paid for by reducing public services. Now, correctly in my view, the Government are paying for citizens to be furloughed and for increased health measures, but we do not have the unifying vision which will help us rebuild our nation, nor the will to pay for it proportionately.

What can we learn from this crisis? First, we need something more than a safety net. A safety net is not a vision; it is a last resort. We need a vision for a society where everyone is raised up and where everyone recognises their responsibility to the whole, as in a household.

Covid-19 is not indiscriminate. It disproportionately affects the BAME community and the poor, it reduces opportunities for the young and it highlights deepening inequalities in our society. Wealthy people can work from home; poor people cannot. But Covid-19 is nothing compared with the environmental challenge the world faces. Simply getting the economy up and running in the next year might help balance the books, but it will be a disaster for the next generation. We need an economic reset that is based around the common good and the well-being of the planet: anything less will not be economical.

1.37 pm

Lord Livermore (Lab): My Lords, I thank my noble friend Lord Eatwell for securing this debate. I congratulate him on his wide-ranging opening speech. The Covid-19 pandemic has delivered a shock to economic activity, unprecedented in speed and severity. The OBR’s initial scenario sees GDP fall by 35% in the second quarter, unemployment rise by more than 2 million, government borrowing increase to £273 billion, and debt exceed 100% of GDP. As the IFS has observed, these figures are predicated on a swift recovery. Should the economy fail to bounce back, the picture would worsen further.

The Resolution Foundation has reflected this uncertainty with a range of forecasts, depending on whether social distancing lasts for three, six or 12 months. It estimates that GDP would fall this year by 10%, 20% or 24% respectively, with unemployment rising to 2 million, 5 million or over 7 million. Irrespective of how severe the coming recession turns out to be, this pandemic has exposed significant flaws in the UK economy. It has revealed deep inequalities, with the economic effects disproportionately experienced by

the low paid and the young. It risks exacerbating them still further. Unemployment will be concentrated in the lowest-paid sectors. Those soon to leave school or to graduate will enter a very bleak labour market.

Addressing these inequalities will be key to building a stronger, fairer, post-crisis economy, with far greater resilience for the future. As we do so, we will need to see a radically different approach from that of the past decade, when we saw the slowest recovery for eight generations: living standards were undermined, public services weakened, and our welfare system underfunded. As the Government begin to restore fiscal sustainability, ensuring that the burden is borne fairly across society must be paramount. In the previous decade, while money was found to cut the top rate of tax, the poorest families had their incomes cut by more than 15%. As we repair our economy, we must learn the lessons of this crisis and of the past decade, so that we can build a new social contract, fit for the future.

1.38 pm

Baroness Buscombe (Con): My Lords, I thank the noble Lord, Lord Eatwell, for securing this debate. A key lesson to be learned is that we cannot just focus on “the science”. Our gateway to economic recovery is immediately to reduce the 2-metre distancing rule to 1 metre. We have just given the WHO another £75 million, while ignoring its 1-metre guideline. This is economic and cultural suicide. Nothing is viable unless we change this rule and take a proportionate, sensible and informed approach to risk.

The public sector has of course been largely untouched, with few job losses, pay cuts or furloughing. It is the private sector that has suffered, and it will take us to recovery through sheer hard work and taking risks. Luckily, many have found smart ways of continuing to function. Each day, people are turning to common sense. This is vital if we are to increase productivity and retain jobs. We must incentivise the private sector.

In that regard, I wholeheartedly support our Prime Minister’s pledge that, if China imposes its national security law upon Hong Kong, we shall change our immigration rules for the people of Hong Kong. We want the best and the brightest to come here, not least to help us to recover. However, this must be conditional. If we change our immigration rules, then as a matter of principle and respect for the private sector, which will probably bear the greatest fiscal burden going forward, we must also ensure that all those coming to reside in the UK pay the same levels of tax as the rest of us.

Will my noble friend the Minister therefore seek to clarify HMRC rules going forward to provide for equal treatment of UK taxpayers with all coming to reside here from Hong Kong and elsewhere in the world, so that they are treated as domiciled in the UK for inheritance tax, and as UK residents for income tax and capital gains tax? With respect, to fail in this now would be crass in the extreme.

1.40 pm

Baroness Bowles of Berkhamsted (LD): Pandemics, like wars, change the path of history. This one has not only put into focus where austerity went too far but also changed perception of the role of the state, both

here and internationally. Already, there are serious and credible suggestions for a post-war type of investment, taking advantage of low or negative interest rates to invest faster and more than was envisaged pre-pandemic. We will not be the only ones doing this, which adds a competitiveness angle.

Strategic self-sufficiency should pay a greater part, bringing environmental benefit along with security. The pandemic has also taught us that personal space matters. Inadequate and high-density housing, overcrowded public transport and excessive commuting are all promoters of illness, lost productivity and social misery as well as spreaders in pandemics; this affects, and infects, everyone in the end, and so it must change.

More economic support for business will be necessary, but it must work in a distributed and reinforcing way. Last week, the *FT* reported that Rolls-Royce threatened to chop any supplier that cannot give it a 15% discount. The same article points out that big manufacturers demanding cuts from suppliers are simultaneously using their need to support the supply chain as one of their pleadings to Ministers. I hope that the Minister has spotted this hypocrisy, and that BEIS will make it clear that help is for sharing and that squeezing the pips out of supply chains, unreasonable discount demands and paying late will count against them.

1.42 pm

Viscount Waverley (CB): My Lords, achieving more with less should be the UK's mantra, as well as not being overly reliant on ways of old, in order to counter recession and unemployment. Innovative digital platforms—in which I declare an interest—should be brought to the fore with particular emphasis on support for SMEs, which is where the greatest opportunities across all industries lie in opening new, or deepening existing, export markets. Supply and demand in emerging markets will be heavily competed for post Covid.

The emphasis should be on instilling a sense of transparency, in generating a team effort between the public and private sector and supporting networking organisations with possible mandatory membership to beef up multipliers, be it a chamber of commerce or trade association.

Our economy would be further protected by ensuring an across-the-board concerted effort to harness conducive official policy across all government departments in order to create the environment for operating to maximum national gain. Regional trade commissioners, the Prime Minister's trade envoys and an agenda by the relevant bilateral APPGs must all play their role. These roles, including that of reviewing ambassador appointments, should be heavily scrutinised by Parliament.

1.44 pm

Lord Darling of Roulanish (Lab): My Lords, I start by referring the House to my interests as recorded in the register.

It is a pleasure to speak in this debate secured by the noble Lord, Lord Eatwell. I agree with everything that he said, particularly on the need to build resilience in this country and to point out that, at a time like this, the Government can do things that individuals and companies cannot do themselves—in particular,

supporting the economy to get people back to work. That is what we did 10 years ago; that is why the economy started growing again in 2010.

I understand people's concern about debt, but we have to look at it in the same way as we did in the aftermath of the Second World War. We will have to spend a lot of money to get our economy going and to preserve the fabric of our economy. We are now, in many ways, reaching the most difficult part of the economic policies that we need to look at. As the furlough schemes run out, I fear that unemployment will start to rise. The Government must do everything they can to stimulate the economy with things like cutting VAT, perhaps a scrappage scheme for cars and so on. All these measures and more will need to be addressed, as well as continuing support for companies, through grants and possibly taking equity or loans.

Critical to all this is to get the testing regime working. At the moment, the promises are not being met by reality. In far too many cases, delivery matters and the Government need to pay attention to that.

We must address the fact that people will lose their jobs as a result of this. We cannot allow ourselves to go back to the 1980s, when millions of people went on the dole queues and, frankly, many of them never came off. That scarred the whole country. That is why the Government now need to look at the measures they will take to retrain people, get people back into work and stimulate the economy, perhaps introducing measures that will help us to adjust to a lower-carbon economy.

The Government cannot just leave these things to chance; they need to act. It is very important that we concentrate on the delivery of these policies, because that will make the difference to whether we succeed in coming out of this in better shape than will otherwise be the case.

1.46 pm

Lord Hunt of Wirral (Con): My Lords, I declare my interests as set out in the register.

We have already learned brutal lessons from the pandemic. I have always been a one-nation politician, with a firm belief that we can realise our full potential as a nation only if we work together. But this crisis is putting our unity under tremendous strain. Many of the firms that are closed will never open again. Tens of thousands of them are, inevitably, heavily dependent upon physical interaction—as in a pub or restaurant, club or theatre.

Our theatres do so much to define who we are as a nation and as a society, so often giving a voice to those who are otherwise underrepresented or even not heard at all. They also contribute significantly to the economy, but in the months ahead they will need our help if they are to survive at all. I thank the noble Lord, Lord Kerslake, for having highlighted this key issue.

Even as we emerge from total lockdown, all employers will have to adapt, not only through social distancing but through improved ways of dealing with sickness and absence from work. This is a long-term challenge brought into sharp, short-term relief. I strongly commend to my noble friend the Minister the initiatives from GRiD, the Group Risk Development organisation, set up by the insurance sector to address these challenges.

[LORD HUNT OF WIRRAL]

Of course, free enterprise will have to be the principal driver of recovery, but it is none the less incumbent on all one-nation Conservatives to ensure that the public and private sectors now work together in partnership to build the necessary foundations for a stronger economy and a stronger society in the post-pandemic world.

1.48 pm

Lord Chidsey (LD): My Lords, since the start of the UK lockdown, the construction industry has been united in supporting the Government with advice and guidance assembled in a Green Paper for consultation. The paper identifies three phases: restart, after three months; reset, in the next year; and reinvent in 12 months- plus. Various construction industry sectors have been identified, including housing, social infrastructure and economic infrastructure, together with the bodies to take the work forward.

The UK Infrastructure Client Group, which includes all the major economic infrastructure clients, will lead the infrastructure strand of the reinvent programme. This work will be delivered by a secretariat provided by the Institution of Civil Engineers, in which I declare an interest as a fellow of that august body.

The Green Paper is the first stage and provides the vehicle on which to gather evidence. Realistically, the lockdown has had a major impact on the UK's economy, with the potential for that impact to endure for many years, but it will also throw up opportunities to rationalise by making efficiencies and to implement measures that would have been brought in many years ago through a Keynesian need for economic stimulus to reboot the economy.

There will be a real temptation to turn the infrastructural lever in an unsophisticated way, but the overriding issue will be how we produce a plan that allows us to do both. In that regard, the Green Paper calls for evidence in several areas, including what other factors will determine attitudes to public life as we transition to a new normal. What other system changes driven by lessons from the lockdown can we expect to be important in the new normal? Are our assumptions of the new priorities for infrastructure correct and what other changes to infrastructure provision will be needed when based on those assumptions? Can we anticipate the Government's response to these questions by 14 June, the date on which the consultation closes?

1.51 pm

Lord Kerslake (CB): My Lords, I declare my interest as the chair of Peabody and my other interests as listed in the register.

The need to respond to the health emergency of Covid-19 has created an economic emergency. We can see the impact of the first emergency clearly, but the full impact of the second is only just beginning to be felt. Hopes of a rapid V-shaped recovery now seem very optimistic. We can expect economic activity to fall sharply, unemployment to rise sharply and particular groups and places to be disproportionately affected.

Given the high costs so far, the natural instinct of the Treasury will be to seek to rein in spending. Like the noble Lord, Lord Eatwell, in his excellent speech,

I strongly urge the Government to resist that temptation. In a period of huge uncertainty, private investment and consumer spending will fall and only the state can provide confidence. Huge uncovered financial losses in both the public and the private sector also need to be made good, not least the dire situation of local government. In short, a major stimulus package will be essential to get the economy going again.

As the noble Lord, Lord Hunt, said, I have focused much of my concern on the cultural sector, but in my remaining moments I want to focus on another issue—the contribution of the housing sector to economic recovery. A housing and employment taskforce has been created by the charity Communities that Work, of which I am a member. It has set out four asks: first, to set up a COBRA for jobs; secondly, to develop employment services; thirdly, to support innovation; and, fourthly, to support young people in order to prevent a pandemic generation. What does the Minister believe can be done in the circumstances that we now face and what is his response to that task force?

1.54 pm

Baroness Warwick of Undercliffe (Lab): My Lords, the Covid pandemic has revealed some crucial economic realities that have been ignored for too long. One of those is the inability of the construction industry to respond quickly when demand slumps. Yet construction, and in particular housebuilding, could be a vital engine of economic recovery from this crisis.

Home ownership is something that the Government have championed and it is what most people aspire to, but undoubtedly, at least in the short term, we face a big rise in unemployment and an imminent recession. It is unlikely that many people will be able to afford to buy a home. We need a massive increase in affordable housebuilding, which can deliver a fast-acting, broad-based economic and social stimulus. We know from past economic downturns that investment in social housebuilding is counter-cyclical, which means that government investment can buy a lot of development. This in turn will provide ongoing work for the construction sector and SMEs in difficult times.

The pandemic has increased the challenges we face in housing. This is not just in the nationwide homelessness that the Government have taken initial steps to redress, but in the very areas where they hope to encourage more equal access to prosperity. Significant investment in social housing is key: we must build more homes. For such a programme, long-term certainty is required. If the Government have the vision to commit to a 10-year affordable housing fund, they could secure a long-term and sustainable economic recovery. Housing associations are ambitious to play their part in this recovery. A longer-term investment programme would give them the stability and confidence to deliver a new generation of high-quality, accessible and greener affordable homes to rent and to buy while rebuilding our economy. Will the Minister commit to doing this in this year's spending review?

1.55 pm

Lord Smith of Finsbury (Non-Affl): My Lords, I should remind the House of my interests as set out in the register.

I want to make two brief points. First, I endorse what the noble Lord, Lord Hunt, touched on. One of the most important parts of our economy and our national life is the cultural sector and the creative arts, but they have been hit fiercely by the pandemic and the lockdown. This is especially true for the performing arts— theatre, music, dance and opera—which rely on large audiences for their income. It will be months before they can open up again. They are, quite simply, bleeding to death, yet they are vital to our well-being, to our intellectual and emotional life, to our standing in the world and to our economy. The Arts Council has provided some emergency relief. Furloughing has assisted, but there is a desperate need for further help. I urge the Government to bring forward a package of emergency support, because it is so urgently needed.

My second point is simple and echoes what the noble Lord, Lord Eatwell, said in his excellent opening remarks. As we begin to recover from the pandemic and we look at the state of the economy and the deficit that will have been incurred, austerity is not the answer. It was not the answer in 2010 either, but it happened and it delayed our recovery for years. Growth will be what lifts us up again and the Government should remember that in every waking moment as we confront the recession that this pandemic has brought.

1.57 pm

Baroness Foakes (Con): My Lords, as I want to talk about the plight of horticulture, I must first declare my interest as the chairman of the All-Party Parliamentary Gardening and Horticulture Group. The closing of garden centres came at the worst possible time because it was the peak time for sales and for the growing of plants. That has had a terrible impact on garden centres and all the nurseries that supply them. On the other hand, we need to sustain a stronger sector, not a weaker one, if we are to grow more of our own and so avoid the pernicious impact of pests and diseases from imported plants. We also need to sustain the Government's ambitious plans for the environment, in particular the tree-planting project.

Unfortunately, the government support that is available does not fit well with the needs of horticulture. I will not go into that because there is no time to do so, but I want to commend the principle of the Dutch Government of providing 70% compensation for lost sales. A similar scheme in this country would do an immense amount to aid our struggling nursery and horticulture sector. I know that the Horticultural Trades Association is in negotiation with Defra for a similar stock compensation scheme, but it fears that that will founder because the UK has signed up to the EU restrictions on state aid. Why, one wonders, were the Netherlands able to get away with it? They have done so simply by invoking Article 107(2)(b) of the Treaty on the Functioning of the European Union, which allows Governments to give aid free of any restrictions in exceptional circumstances. Why cannot this Government do the same?

2 pm

Baroness Sheehan (LD): My Lords, I thank the noble Lord, Lord Eatwell, for this opportunity to look to the future, while reflecting on the ease with which

economies built on measuring GDP with zero regard for the well-being of people or the planet have been shown to have zero resilience to a pandemic that was foretold but not acted on.

The world faces warnings from scientists of an even greater cataclysmic event, that of climate chaos, and this time we must act. A report in the *Oxford Review of Economic Policy* last month showed that a massive green economic stimulus post Covid-19 will lead to stronger, faster growth while reducing emissions and protecting jobs. However, Governments must send the right signals to industrialists and investors, not mixed messages.

That brings me to my Private Member's Bill, the Petroleum (Amendment) Bill. Quite simply, it seeks to address the legislative anomaly that currently exists. The Petroleum Act 1998 as amended by the Infrastructure Act 2015 confers a duty on the Government, through the Oil and Gas Authority, to maximise revenues from petroleum. The so-called MER strategy means pumping up fossil fuels as fast as possible. At the same time, the Climate Change Act and the Paris agreement commit the Government to a target of net zero emissions.

It is time to eliminate that policy incoherence. However, the OGA consultation on MER currently under way focuses on perpetuating a declining industry, fails to appreciate the urgency of the change needed and does not recognise the need to protect jobs. This is not leading us to a brighter future; it is looking backwards to a time pre Covid-19.

2.02 pm

The Earl of Clancarty (CB): My Lords, as the noble Lord, Lord Smith, has done, I want to talk about the creative economy, which, because of Covid, is now in the kind of financial trouble that the Government and the public do not yet fully grasp. The National Theatre, the Old Vic, the Young Vic, Shakespeare's Globe, the Royal Shakespeare Company, the Royal Opera House, Sadler's Wells and the Southbank Centre are among those under threat, and some of them could enter administration before the end of the year unless financial help is at hand. Nuffield Southampton Theatres already has, and other regional theatres and many other arts organisations, both large and small, may well follow.

We urgently need emergency funding on the scale that Germany provided for its arts and creative industries over two months ago. That package was worth €50 billion, in a country where the state bears a significantly greater burden of the funding. It is good that the Arts Council is providing some emergency funds, although they will not in any conceivable way cover the scale of the problem, and it is a diversion of funding that was intended for new projects.

One of the lessons that we should learn from this is that the greatest vulnerability lies in the commercial component. In the case of theatres, museums and live music, the loss of ticket revenue is disastrous, and many private museums are also under threat of closure—and we have to add to this the fact that our theatres and music venues are going to be among the last out of the lockdown.

I applaud the setting up of a cultural renewal task force, but that should not be a substitute for new emergency funding or an excuse for delaying such help.

[THE EARL OF CLANCARTY]

The task force needs to be a vehicle for the targeting of such funding. In that sense, music, the book trade and local government are among those that also need representation.

From our great theatres and dance companies to individual performers, including authors, musicians and comedians, in the last few months we have enjoyed on YouTube, radio and TikTok wonderful performances entirely for free from those who are currently earning nothing. It is time that we gave back in a big way.

2.04 pm

Lord Layard (Lab): My Lords, the huge danger that we face is mass long-term unemployment. Once that takes root, it is extremely difficult to reduce it. It kills the human spirit but also of course costs the Exchequer a lot of money. However, there is a well-tested way to prevent it, which is an active labour market policy. Instead of paying people money for doing nothing, we pay employers to employ them to do something useful. That is what we did for young people under 25 after the financial crisis. It was called the young person's guarantee. Once these young people were long-term unemployed, their benefits ceased and instead they were offered a guarantee of work at the rate of the job for at least 25 hours a week for at least six months. The jobs were with regular employers, the state paid the basic wage and the employers had to compete for access to the workers on these terms by offering meaningful jobs, including training. When the programme was evaluated, it was found to have raised the employability of those who went on it by at least a quarter, and the net cost to the Exchequer was under half the gross cost.

The crisis that we now face is much greater than after the financial crash. It is a crisis that, as we know, was rightly and deliberately created by the Government, and I think that puts an especial responsibility on the Government to the victims of the slump that they have created. That responsibility has to extend this time to people of all ages, so we need more than a young person's guarantee: we need a guarantee to workers of all ages that they will not be left to drift into long-term unemployment. For any worker approaching a year's unemployment, there should be a job guarantee and we should then support people's incomes only through work, not through inactivity. To find the jobs that we need, the state should pay the minimum wage for at least 25 hours a week for the first six months that an employer employs an at-risk person.

This is not pie in the sky; we have decades of experience of it. I ask the Minister to meet with some labour market experts to discuss what should be done this time around.

2.07 pm

Lord Choudrey (Con): My Lords, I refer noble Lords to my entry in the register of interests. Do the Government plan to extend the life insurance scheme to the SME sector, and specifically to black and minority ethnic individuals employed in the SME sector who have been defined as key workers but are not covered by the current scheme?

People from the BAME community make up 14% of the UK's population, and this is expected to increase to 18% by 2021. There is a huge body of evidence to suggest that BAME workers are being disproportionately impacted by Covid-19. Many factors contribute to this, but one of the main ones is the nature of the work performed. They are overrepresented in sectors that the Government have allowed to remain open, such as food retail, healthcare and transport. For example, they make up 44% of NHS staff, 70% of the workforce in public administration and education and 26% of workers in the transport sector. Some of these professions are covered by the Government's life insurance scheme but others are not. I personally feel that these members of the BAME community are playing an essential role in keeping the country moving and are going above and beyond the call of duty in providing essential services to their local community in these unprecedented times.

The Government have already categorised them as essential workers. It necessarily follows that the Government must have considered including some if not all of these groups in the Government's own life insurance scheme. Is the Minister able to shed any light on what was considered and whether anything is currently being considered?

I believe that when we look back on this episode in the years to come, this is an area that will be under the microscope. If it is economically viable to undertake this, I am sure it will be well received.

2.09 pm

Baroness McIntosh of Hudnall (Lab): My Lords, like others, I want to highlight the plight of the live performing arts. In doing so, I declare my interest as deputy chair of the Royal Shakespeare Company.

As some parts of the creative industries prepare to come tentatively back to life—film and television and some museums and galleries—organisations whose income depends entirely on audiences being physically present in their theatres or concert halls are facing the reality of being unable to resume anything approaching normal levels of activity before next spring. Most have found ingenious ways of presenting their work online and many are contributing significantly to home-schooling resources.

Sadly, however, all this rich creativity does not pay the bills; only audiences buying tickets for live events do that, and there is no economically viable way to practice social distancing inside a live performance venue. As has already been said, some important organisations, such as the Nuffield theatre in Southampton, have already gone into administration. Many others may follow, as the furlough scheme and other government support is withdrawn.

It would be easy to imagine that, while sad, these potential losses are not economically significant. That would be a mistake. Figures for 2018 from UK Theatre show that audiences totalled 34 million that year and that ticket sales were £1.28 billion, and that is before all the ancillary businesses that depend on theatre, such as hotels and restaurants, et cetera, are counted in. For example, the RSC is the second-largest employer in Stratford-upon-Avon and is worth tens of millions

of pounds every year to the local economy. Its current absence is keenly felt. UK theatre is also a hugely important export and contributor to UK soft power. Will the Minister impress upon his colleagues this sector's urgent need for targeted help before it is too late?

This is personal for me: theatre and music have been my entire professional life. I cannot be dispassionate, and none of us should be. As the song says, "You don't know what you've got till it's gone".

2.11 pm

Lord Razzall (LD): My Lords, it is now commonplace to agree with the evidence of the Chancellor to the House of Lords Economic Affairs Committee that we are facing a recession like no other we have seen before, and that it is not obvious that there will be an immediate economic bounceback. The facts are stark. As other noble Lords have said, currently, the Government are paying 80% of wages of employees on the furlough scheme, which has now been extended to October, and this covers 35% of private sector employees. With the addition of grants to the self-employed, this will have cost £100 billion by the end of October—more than the average forecast spending on defence and transport. As noble Lords have said, when the Government stop making these payments, serious redundancies are bound to follow, with the Bank of England forecasting unemployment rising to at least 10%.

What should the Government do? They were inundated with suggestions from leading economists, many of which have merit, and I shall highlight a few. Many of these proposals are technical. The first is to align the lower national insurance threshold with income tax at £240 per week, rather than, as now, £169 for an employer and £183 for an employee. The second is to create a fund to hold the bailout loans, to take them off banks' balance sheets, as suggested by Howard Davies the other day. The third is to manage 10-year gilt yields down to close to 0%, to make it cheaper for the Government to borrow.

Some of these proposals will require alterations to the way our banking system works. To kick-start the housing market, borrowing rules for homebuyers could be relaxed. The Green Investment Bank could be reactivated to promote a significant increase in green technologies. Some proposals will require a significant change in direction by the Government. With the large erosion of opportunities for our young people, now is the time for a massive focus on further education and apprenticeships. There is a major need to focus capital expenditure on infrastructure investment.

It is absolutely clear that Keynes is back: this will be no time for austerity, otherwise we will see more lost jobs, more lost income and the familiar consequences of unemployment and poverty—poorer health, a crumbling infrastructure, and rising crime and xenophobia. And for heaven's sake, let us extend the Brexit transition period while all this is being sorted out.

2.14 pm

Baroness Ritchie of Downpatrick (Non-Aff): My Lords, this pandemic has revealed the deep levels of poverty and inequality that are entrenched in many communities. Many of these existed prior to the pandemic

but are now more acute. There have been greater levels of dependence on food banks for essential food provisions. Like the noble Lord, Lord Eatwell, I agree that most of this entrenchment has taken place since the period of austerity in 2010. Many people are now off work or out of work through furloughing. Some might not return to work if there are redundancies as a result of a deep depression. We need a review of economic and social welfare strategies, to reduce inequalities and ensure better levels of sustainability. There needs also to be action on climate, but I believe that this pandemic provides the Government, the Opposition and the wider community with the means to address these issues.

In Northern Ireland, tourism is one of our principal industries, and there has been an 80% drop in spend. Again, I turn to my old chestnut: will the Government consider, as part of a review of economic strategy, a drop in VAT for tourism products and the temporary abolition of air passenger duty to ensure that—subject to social distancing and all the other caveats—we get an increase in our numbers of visitors, who can then enjoy the level of tourism and the products that we have available? That would do much to enhance our local economy and ensure a reduction in inequality, and therefore sustain local employment. I ask the Minister to look at those issues.

2.16 pm

Baroness Verma (Con): My Lords, I join all noble Lords in thanking the noble Lord, Lord Eatwell, for securing this debate and I refer to my interests in the register.

People across the globe are coming to terms with a new normal. As our markets are so interconnected, it will remain in all our interests to ensure that we strengthen our partnerships, as well as building resilience in those areas that have been identified as needing much more internal investment.

The Government's decision to put in measures to protect jobs and support businesses has been very welcome. They have received global recognition for the enormous intervention that the Treasury has made to ensure, as far as possible, that the economy stays afloat. However, in welcoming these measures, I know that the critical work will be over the next several months, as employers work to build consumer confidence and workplaces adjust to the new norms.

Businesses that I have helped to navigate access to the Government's support packages are now asking for support to see them over the new challenges that they will inevitably face. Will my noble friend say what plans they are looking at in fiscal terms, especially for the SME sector, to cut back on immediate burdens? That could include possible VAT holidays or reducing the VAT burden. Does he agree that in order to reinvigorate many of our city and town centres, measures to give businesses rates holidays or other incentives, for at least nine to 12 months, will greatly assist in supporting smaller businesses?

Among the lessons we have learned is the importance of ensuring that we still maintain critical manufacturing in our country, including the obvious protective medical wear that we so desperately needed. My city of Leicester was once at the heart of manufacturing clothing, but factories lay closed, with more than 10,000 workers

[BARONESS VERMA]

at home. Will my noble friend therefore look at how, in the future, local businesses can help to support government responses and be included in all contingency planning?

2.18 pm

Lord Low of Dalston (CB): My Lords, will rushing to lift the lockdown hasten or postpone recovery? The Prime Minister seems to have started to lift the lockdown more quickly than most scientists would have advised. No doubt the reasons are mixed, but strong pressure seems to have come from the Treasury, concerned about the costs of furloughing and other income support measures, and anxious to see an increase in tax receipts from increased economic activity. However, the belief that the sooner we lift lockdown, the sooner we will all get back to work, may well be misplaced. Infection and death rates are still high: the R value is not much below 1, and we do not have a fully functioning test, trace and isolate regime in place. The danger is that infection rates will start to rise again, and we will not have the testing capacity to track and suppress new outbreaks.

In the event of a second wave, lockdown may have to be reimposed—or in any case people will choose not to go back to work and be unwilling to go out and spend, and the recovery will stall. Premature unlocking could well thus cost the Treasury and business more, not less. Much better, then, to delay a precipitate lifting of the lockdown for a few weeks, which would be sufficient to get infection rates down and put in place a test, trace and isolate regime capable of tracking and suppressing new outbreaks. Of course, no one can be sure how the virus will respond to raising the lockdown, or how people will behave in the event of a second wave, but arguably the risks of a second wave and a long, delayed recovery greatly outweigh those of a more cautious lockdown that will buy time for infection and death rates to come down and for test, trace and isolate to kick in.

The other thing to highlight is, of course, the interplay between Covid and Brexit. The big risk is that, under cover of our preoccupation with the pandemic and its economic impact, the Government will squander the opportunity of a trade deal with the 27 and default to what the ERG have always wanted: no trade deal and WTO rules by the beginning of next year. This would of course be an act of wilful self-harm when we need to do everything possible to stimulate post-Covid recovery, a point well illustrated by this week's reminder from Nissan that its Sunderland plant will be unsustainable in the absence of a trade deal.

2.21 pm

Lord Mann (Non-Afl): Two minutes today, a minute previously—not enough time is being spent debating the economic crisis emerging around us. I propose to the Minister and the Government that, as there will be no summer holidays, we should cancel immediately the Summer Recess and hold a virtual House of Lords throughout the summer to give proper and effective time to such critical debates.

There has been much talk today of resilience and growth, but if we simply go back to the economy that we had before—where, for example, manufactured car

parts crossed the channel 30 or 40 times—it will not be either economically competitive and sustainable or environmentally sustainable. Neither do we want to move into the new economy that is emerging, where we are run by Amazon and Facebook, with the taxpayer, in effect, cross-subsidising the operations of both—Amazon's facilities and Facebook's expanding infrastructure—with neither paying proper taxes back into our economy. It is an economy where London is the motor, with the vast majority of those running the motor commuting into London. That is not an economy sustainable for the future, nor is one where we are not self-reliant for our energy and our food. We need an entirely different kind of economy, which will need changes in planning law and taxation to allow for home-working and international competitiveness. Let us also have people's quantitative easing, with the Bank of England buying government debt so that the country can get on its economic feet again.

2.24 pm

Baroness Doocay (LD): My Lords, we urgently need to repair the tourist economy, not least because no region or nation of the UK has less than 100,000 tourism-related employees. The combined £34 billion spent every year in poorer, rural and seaside areas is a significant transfer of wealth from better-off, urban areas. The £20 billion that tourism contributes to rural economies is only slightly less than the £24 billion contribution from agriculture.

I want to highlight two issues. First, we can already meet outdoors with up to six people from different households, and non-essential shops and amusement arcades will soon open, increasing the level of contact. Yet the Government are not reopening caravan parks, where families who have been in the same bubbles throughout the pandemic can holiday safely. Caravans themselves have to be, by law, six metres apart, so they are well prepared for people to holiday while keeping away from other families. Why not allow caravan parks to open?

Secondly, self-catering holiday businesses are really suffering. Most are micro-businesses, but those that operate as limited companies have found that the family is not eligible for self-employed support, while those that are sole traders have been told by HMRC that their revenue is the product not of work, but of property investment. Yet HMRC's own rules for furnished holiday lettings say that self-catering properties made available for at least 210 days a year and let for 105 days are classified as trading businesses. There is a complete mix-up here and the Government really must resolve this problem as soon as possible. I hope the Minister will address both issues when he responds.

2.26 pm

Baroness Stroud (Con): Given the two-minute time limit, I will restrict my remarks to one lesson from Covid only. It is always easier to say what one would have done differently with the benefit of hindsight, but, as we emerge from the last few months, it is imperative that we take a step back without playing the blame game. Our number one lesson from Covid must be that we need to better prepare for future pandemics, which we all fully anticipate will come. Never again

should we find ourselves in a position where our only option appears to be to shut down our economy, with the impact of a fall in GDP of nearly 13%, a rise in unemployment of potentially up to 10% and a deficit predicted to be the largest since the Second World War.

If a three-month lockdown can produce this sort of economic damage, then surely our number one lesson has to be to ensure that an alternative approach is available to us in future pandemics, which we know may well happen. To achieve this, we need an effective test and trace system, we need to put a ring of steel around our most vulnerable people and, to that point, we need a world-class health system of sufficient scale that does not need protecting but is equipped to care for those who need the greatest support and care. Then, if we want to reduce community contact, we can say to people that if they are able to work from home and drive their businesses' productivity then do so, but if they cannot then go into work, with cafes and restaurants ready to adapt to takeaway and delivery as a natural part of their crisis business planning.

Stopping economic activity should not be our lever of first resort—or our only lever. This is people's livelihoods, and we should not tear down in a matter of months what has taken years to build. We need to start thinking now about future pandemics.

2.28 pm

Lord Boateng (Lab): My Lords, Covid presents a triple whammy to the UK's economic prospects: supply, demand and finance have all taken a hit. We need a comprehensive, funded plan for all sectors as our response. I want to focus on skills and manufacture and the importance of equity in our response across regions and all demographic communities. We cannot leave any part of our country behind, as has been the case in recovery from previous downturns, nor can we allow existing patterns of disadvantage—as experienced, not least, by Britain's black and ethnic minority communities—to continue. There is already some evidence to suggest that BAME applicants face continued disadvantage in accessing existing government schemes for Covid-related assistance. How is central government ensuring this is not the case? Will the Minister tell us what data is being collected and whether the Race Disparity Unit in the Cabinet Office is working with HMT on this? It needs to.

On the wider issue of manufacture, the lesson is surely that we need a strategic industrial policy that supports manufacture in the UK not only for our large global market leaders, which need to be supported with access to capital, but for small and medium-sized enterprises. Where, in the past, we have been content to outsource our orders for PPE, ventilators and other essential equipment to overseas suppliers, we now surely need an active interventionist policy to support our domestic industrial base. This needs to be backed up by procurement policy that actively favours our domestic suppliers where our national interest dictates that it should. We hear about the new freedoms outside the EU; this is an opportunity to demonstrate that.

We know too that there are regional/sectoral variations, which have to be addressed. We need to support local initiatives, with local employees and trade unions coming together with the LEP network to address these issues

in order to meet local needs, supported by central government funding. We must also recognise that we need a funding entity that is prepared not simply to hold loans but to convert them if necessary into equity stakes.

Underpinning all this is Make UK's call for a national skills taskforce, so we have a workforce that is equipped to face the challenges going forward, with well-paid, meaningful jobs that serve this country's interests and protect us as we go forward into the future.

The Deputy Speaker (Lord Palmer of Childs Hill) (LD): I remind noble Lords of the two-minute speaking limit.

2.30 pm

Lord Shipley (LD): My Lords, it was reported yesterday that the US economy will take 10 years to recover from the pandemic—that is according to US government analysts. We know that something similar is likely for the UK. Our economy is in a state of shock, and it is estimated that Covid-19 could reduce GDP by well over 10%. To make matters worse, the Government seem intent on risking a no-deal Brexit, which could result in a further 5% long-term reduction in the UK's GDP.

We are suffering from an acute lack of leadership as the Government pretend that they can solve both problems at the same time. They cannot. It is dangerous to expect British companies trying to save and restore their businesses in the wake of the pandemic, which is not over, to cope with the additional complexities of a new trade agreement—or no agreement at all—which would need to be implemented at very short notice. The Government should request an extension to the 31 December transition period deadline.

On the impact of no deal, the Government should heed the warnings of Nissan, which is keen to continue car production in Sunderland. Its global chief operating officer said yesterday morning that if the company is “not getting the current tariffs, the business will not be sustainable.” That is what everybody has to understand. Can the Minister say whether the Government understand that?

We have learned a lot from the impact of the pandemic, not least that we are too reliant on global supply chains and need to be more self-sufficient. I am thinking of more local food production to reduce dependency on imports; the supply of energy, where major investment in renewables would boost the economy; and more local manufacturing in areas that have been traditionally been manufacturing centres. Achieving all this needs the Government to think in terms of places and how they can be helped to produce more.

2.33 pm

Baroness Finlay of Llandaff (CB): My Lords, health and the economy are interdependent. Essential to infection control is PPE, which we import at eye-watering cost. Gowns are the second-most-used piece of PPE, after gloves, in healthcare. Of the £6.6 billion in pandemic costs to health and social care, £4 billion has been allocated for PPE to the end of July 2020. Wales alone has spent £136 million on 90 million items of PPE to date. The UK is using 10% of the total global production

[BARONESS FINLAY OF LLANDAFF]

of PPE, and that will not decrease. In March, the WHO warned that 89 million medical masks, 76 million examination gloves and 1.6 million pairs of goggles would be required worldwide monthly.

Until 2020, the race to the bottom on price made Hubei province in China the manufacturing centre of PPE, yet in January, China imported 20 million surgical masks and respirators in 24 hours. Exports fell and international scrambles for PPE resulted. Here, our 2008 flu preparedness stockpile contained no gowns or visors. Apparently, almost two-thirds—21 million—of vital FFP3-standard masks were missing.

We must become resilient in our core needs. Our university fabric research can develop fibres and design quality gowns with low micro-organism transmission potential that are recyclable and fit women properly. Our universities teach and develop 3D printing, yet we do not have the infrastructure and experience for visor manufacture and distribution at scale. We rely on China's manufacture of melt-blown and spun-bond polypropylene, and other crucial components of PPE, yet these supply chains are remarkably brittle, and the worldwide market for personal protective equipment is expected to grow at over 6% in the next five years. Will our economic recovery and security involve moves towards self-sufficiency in high-quality reusable medical consumables, their sterilisation and quality control? It must.

2.35 pm

Lord Risby (Con): My Lords, for a number of years I have been chairman of the Small Business Bureau, which works closely with the cross-party Genesis Initiative, supported by 115 trade associations. This afternoon, I will look at the SME sector specifically, which, pre-coronavirus, provided 60% of employment in the UK in 5.82 million businesses, with a turnover of £2.2 trillion.

I bring to your Lordships' attention one clear measure to boost SME recovery: clamping down on late payment, which remains a scourge inhibiting cash flow. Pay UK has reported that late payment to SMEs before Covid-19 had risen steeply to £23.4 billion—up £10.4 billion from £13 billion owed in 2018. According to the Government's payment practices website, 59% of the UK's largest businesses pay their suppliers more than 30 days after invoices have been submitted. Nearly half report that 25% or more of the invoices they receive are not paid according to the terms agreed. If invoice payments are speeded up, the injection of cash flow into the economy will be a great boost.

I am fully aware that successive Governments have genuinely tried to deal with this problem and to ensure that government departments follow good practice. Indeed, before the onset of Covid-19, the Small Business Commissioner had begun to name and shame late-payers. However, can my noble friend urgently pick up the cudgels on this and make it a clear objective of government policy, as we all try to encourage necessary liquidity to get ourselves out of this economic crisis?

2.37 pm

Viscount Chandos (Lab): I draw the attention of your Lordships to my entries in the register of interests. I am from the Zhou Enlai school of analysis in thinking

that it is too early to make a considered judgment of the economic lessons to be learned from the Covid-19 pandemic. However, it is not too early to suggest a few likely strands.

First, multilateralism is better than going it alone, and the Government have shown in their approach to vaccine and drug development that they are capable of acting multilaterally. That lesson should guide our economic strategy too. Secondly, "Keynes rules OK", as a 1970s graffiti artist might have written—perhaps it was the noble Lord, Lord Russell. The Chancellor's constructive response to the crisis demonstrates how misguided the previous coalition and Conservative Governments were in pursuing the policy of wholesale public expenditure cuts—another lesson that must not be ignored in the years to come, or the recovery will be elusive.

Thirdly, just-in-time supply chain and inventory management is totally unsuitable for the NHS, whether or not it is an acceptable risk for commercial manufacturing. The economy needs greater redundancy in the engineering sense in order to lessen redundancies in the employment sense.

Finally, the catastrophe in the social care system and the broader exacerbation of inequality resulting from the pandemic point to the urgent need to improve the position of those on lower incomes. Wages and salaries have fallen from 70% of GDP in the 1970s to under 60% now. In an era of unprecedentedly low, risk-free interest rates, the providers of capital can afford to see a rebalancing of the returns, to be divided between themselves and the providers of labour. Employers, trade unions and government, through regulation, all have a role to play in achieving this.

2.40 pm

Lord Hussain (LD): My Lords, my hometown, Luton, has also taken a severe economic hit from Covid-19. This has resulted in a devastating projected shortfall of more than £49 million in Luton Borough Council's finances this year. As a matter of fact, Luton is the second worst-hit town in England.

The leader and the chief executive of Luton Borough Council have written a letter to the Prime Minister regarding this, a copy of which was forwarded to me. The letter points out that part of the commercial income increase is income through Luton Borough Council's ownership of London Luton Airport. Luton Borough Council has invested heavily over the last six years to enable the doubling of the size of the airport to 18 million passengers. Last year, the airport delivered to Her Majesty's Treasury around £116 million in air passenger duty alone. Covid-19 is decimating, and will continue to decimate, passenger numbers, with the operator currently forecasting an annualised reduction of at least 66% in 2020-21. With passenger numbers catastrophically impacted, the council's airport company, London Luton Airport Ltd, is no longer receiving air passenger income. That makes it impossible to pass on dividends to the council, which relies heavily on them to fund many vital front-line services.

That will mean an in-year revenue reduction for Luton Borough Council of around £40 million in 2020-21. Taking into account the forecasted reduction

in business rates, council tax, rents and fees and charges, there will be a shortfall of working capital in the region of £50 million in 2020-21. This shortfall will have a devastating effect on delivering our much-needed statutory services that protect and support the residents of Luton. Luton Borough Council is therefore urgently seeking emergency revenue funding from the Government of £50 million for 2020-21 in addition to the welcome Covid-19 response funding. Will the Minister support with sympathy Luton's application to bridge this financial gap as a special case?

2.43 pm

Lord Bourne of Aberystwyth (Con): My Lords, I thank the noble Lord, Lord Eatwell, for introducing the debate so powerfully and seeking to address the towering challenges of the age. Like other noble Lords, I recognise the praiseworthy, decisive early action of the Chancellor, Rishi Sunak. Like my noble friend Lord Hunt of Wirral, I think that we need to move forward together, as one nation. In the limited time that I have, I will suggest some areas of action to my noble friend the Minister. I would be grateful for his comments and, hopefully, endorsement.

On education, many individuals, particularly those in deprived areas, have lost out on tuition. We need to make good the lost chances of youth. That is an area for action. Where redundancies have caused the loss of apprenticeships, people need a real chance to get a new role. The Government should move quickly towards an increase in online provision to build on the expertise of the Open University and other higher education institutions.

Green investment along with government money seems an obvious way to tackle decarbonisation, provide a green stimulus, provide jobs and provide government activity, building on COP 26 next year in Glasgow. That is important. We should use our G7 presidency similarly. Investment in housing is also needed to provide jobs and homes. As other noble Lords have done, I lend my support to strong action to protect our valuable cultural sector, which is vital to our national life, vital for jobs and vital for social and economic reasons. I hope that the Minister will endorse these areas in his response.

2.45 pm

Lord Davies of Stamford (Lab): My Lords, the first thing that we need to do in a situation of this kind is to make sure that we do not deceive ourselves about the reality that we face. This recession will be twice as deep as the one in 2008-09, which followed the collapse of Lehman Brothers, and I think that it will go on for a great deal longer, quite simply because a high proportion of our fellow citizens have lost earnings, jobs, businesses and capital. Their great concern for a number of years will be trying to build up again their savings and net worth, of which they have felt reasonably secure in the past. That means that consumption spending will be very restrained. I am afraid that it is unrealistic to expect the state simply to step in and replace that.

Even as we have this debate, we are passing the grim milestone of a public debt to GDP ratio of 100%. Earlier in the debate, the noble Lords, Lord Horam

and Lord Darling, reminded us that we had even higher levels of debt after the Second World War. What they did not mention is that we got out of that through inflation in the 1950s, the 1960s and, in particular, the 1970s. I do not think that they are recommending that solution this time, but that was how we managed to erode the value of that debt. If we had not run it through inflation, I am not sure how we would have done so.

We also have the problem that general taxation—that is, if we increase taxes while deep in recession—will make the situation worse. That makes life difficult. We also have a troubling background of a failure of productivity in this country, which makes our economy's long-term prospects not very rosy.

This is, therefore, a time for radical suggestions. Let me make two. The Bank of England should start to reissue consols, which were once the basis of public sector funding. Now is the time to do that, while interest rates are low. Secondly, now is the time to take the National Health Service out of the structure of public spending and taxation. We need to spend more money on the health service, not less, and we cannot do that if it is constrained in the straitjacket of public spending policy. We should do what the continentals have done. We should set up a national commission or, like the Germans, we should have non-profit-making health insurance companies fund it. Money would still need to be raised but it would be a health insurance premium, not a tax.

2.47 pm

Baroness Bull (CB): My Lords, the UK's creative industries are a major economic asset: before Covid hit, they were generating more than £111 billion in GVA, growing at five times the rate of the UK economy, employing more than 2 million people and adding jobs at over three times the rate of the national average.

As other noble Lords have highlighted, this pandemic has demonstrated the sector's value beyond the economic, with arts, culture and creativity sustaining and connecting us, giving us reasons to hope and supporting mental health and well-being. This is despite the sector being among those most affected by the pandemic. An ONS survey found that just 17% of arts and entertainment businesses were still operating, 42% of creative organisations say that income has dried up completely and 63% predict annual turnover will be cut by half by the end of the year. In line with the broader UK economy, 95% of creative enterprises are SMEs with fewer than nine employees. Studies have found that these microbusinesses are particularly vulnerable to the negative effects of this crisis.

The creative economy faces a specific challenge, in that a third of its workforce is self-employed, compared to 15% of the economy overall. Many operate as limited companies, taking taxable dividends alongside a small salary. This renders them ineligible for both the SEISS and the job retention scheme, despite losing 100% of their contracts overnight.

Creative, cultural and entertainment businesses face significant challenges to economic recovery, with the workforce decimated and income streams closed down. The sector will be among the last to come out of lockdown, given the impossibility of operating fully

[BARONESS BULL]

while social distancing is in place. Brexit and the loss of EU funding pots present additional challenges on the looming horizon. Can the Minister say when and how the UK shared prosperity fund will be allocated, given its role in replacing EU structural funds, which have been so vital to the infrastructure and local growth of the creative industries? Can he also say what the Government are doing to provide urgent support, tailored to the needs of the creative industries, so that they can be swiftly restored as a major driver of the UK's cultural, social and economic success?

Baroness Penn (Con): My Lords, I remind noble Lords of the time-limited nature of this debate and the limit for Back-Bench contributions at two minutes to allow the Minister to give the fullest possible response.

2.50 pm

Lord Lamont of Lerwick (Con): My Lords, I am not sure that the public are prepared for what we are about to face. Today's headlines are about deaths and infections. In five months' time they will all be about soaring unemployment, a shrunken economy and sky-scraping debt. This is not a typical recession caused by overheating, a rise in interest rates or the economic cycle. It is caused by the correct response of the Government to a pandemic which has led them to an administered freezing-down of parts of the economy. However, you cannot just put firms, which have overheads and costs, into deep freeze and expect them to emerge healthily later. When the restrictions are lifted, some companies will have been bankrupted, others will have become more indebted, and there will be less confidence and consumer spending.

I accept that deficits and a higher debt-to-GDP ratio will have to be accommodated for a period. We are fortunate that interest rates are low and in some cases negative, but this is not without risks. There could be a rise in real interest or a period of deflation, making debt more expensive. When politicians plead to support the economy, too often they mean only spending money. Spending money will happen, but it is not the only solution. Imposing restrictions has caused part of the economic challenge we face. Lifting those restrictions ought to be part of the solution as well.

To my mind, the single most important measure could be to take the two-metre rule down to 1.5 metres and look to abolish it in the longer term. I do not suggest going against the scientific advice, but the scientists should explain to us why we are different from other countries. The hospitality industry employs 3.2 million people. If we could get only some relief for it, that would save many jobs from going under. This is one simple thing that could be done to help the situation improve before it gets worse. It is an agonisingly difficult situation, but the sooner it is faced up to, the better.

2.52 pm

Baroness Whitaker (Lab): My Lords, I have three questions for the Minister about the measures we need to adopt. They go beyond the consequences of Covid-19 to use the opportunities it offers. First and most

importantly, how will Her Majesty's Government direct their economic advisers to address the climate emergency? How will they get to the position that all economic analysts model and forecast through the prism of mitigation of or adaptation to climate change? How can we bring in externalities from outside?

Secondly, how will economic analysis be framed to prioritise well-being? I follow the authors of *The Spirit Level* in asking economists to pay more attention to non-monetary elements of inequality, such as health, social problems and access to amenities, in the economy. They demonstrate that equality is conducive to a thriving economy. To those who say that some public goods cannot be priced and are outside the province of economics—literally invaluable—I point out that there have been ways of considering how we should compute values outside the cash economy at least since Mandeville's *The Fable of the Bees* in 1723.

Thirdly, how will the Government ensure that citizens are party to economic environmental decisions? In this connection, will the Government now join the 88 nations which have ratified the Aarhus convention, which our former membership of the EU entitles us to do? We have experienced a high degree of public mistrust in political action. We need to repair this democratic deficit.

How should economic approaches adapt to the new world we shall find ourselves in so that we can use the opportunity to make it better?

2.55 pm

Baroness Morgan of Cotes (Con): My Lords, I have three points to raise. The first is about support for the cultural and creative industries, but that has already been very articulately outlined by noble Lords on all sides during this debate. I look forward to the Minister's response on that matter. Of course we all want to restore our economy, but our cultural and creative sectors make our lives worth living. They are an important part of restoring our enjoyment in this country as much as of restoring the wider economy.

Secondly, as has already been outlined by noble Lords, a significant amount of debt will be owed by businesses and individuals. However, 9 million people in the UK were already estimated to be overindebted before this crisis started. I hope the Government will think very carefully about the ways in which they will recover debt. I draw noble Lords' attention to the recent Centre for Social Justice report *Collecting Dust*, which advocates a debt management Bill. There have also been suggestions for ways in which government can collect its own debt, particularly local government collecting council tax. I think there will be campaigns to make sure that the letters sent to people who owe money under the Consumer Credit Act are reworded not to be overly ambitious in their enforcement.

My third point is on business rates and fiscal events. I praise the Government for their response in supporting jobs and SMEs in particular during this crisis, but the fact that one of the first things that had to be done was to suspend business rates for retail, hospitality and leisure businesses confirms yet again that the business rates system in this country is broken and unaffordable. If we want to build back better as a country, this is the

time to look at this system once and for all to make sure that it is reformed so that it is affordable for businesses in future.

2.57 pm

Lord Goddard of Stockport (LD): According to the Institution of Civil Engineers, the construction industry is set to play a key role in restarting the economy and helping the nation recover from the impact of the crisis. If it is to facilitate these efforts, the Government need to help it weather the storm.

Jobs are coming under threat as the UK braces for a global recession due to Covid-19. In a year or so, with workloads significantly down, there will be a need to preserve skills to prevent future skills gaps and shortages in the industry. Socially valuable projects that are labour-intensive—particularly repair, maintenance and improvement work—will provide a stable pipeline of work while keeping people employed and creating a built environment fit for the future.

The noble Lord, Lord Bourne of Aberystwyth, made the point about apprentices. Would the Government consider suspending the apprenticeship levy indefinitely to provide immediate financial relief to construction employers, and implementing an apprenticeship guarantee?

Previously, there has been a tendency for the Government to focus on large-scale engineering projects that garner public attention but do not support large amounts of labour or a stable pipeline of work for the industry. In planning for future construction, would the Government recommend putting forward long-term, socially valuable projects that are labour intensive or keep more people in work? For instance, the energy performance of the UK's existing housing stock must be improved if we are to achieve our long-term emissions targets.

The enhancement of UK housing stock to improve its energy efficiency would be a socially valuable project that would maintain and sustain employment. This type of work is intensive and equally spread geographically, making it an ideal project for employing the construction sector, supporting regional growth and getting the economy moving. I recognise that this is a complex task, but it would really reduce strain on the labour market and supply.

2.59 pm

Baroness Boycott (CB): My Lords, this is a once-in-a-lifetime chance for us to rebuild our economic future. Climate change carries on regardless of pandemics, with fires in Australia and California, rising sea levels, droughts and Arctic temperatures hitting over 20 degrees. Climate change is not a danger to come but a current danger, and if Covid has taught us anything it is that something that happens in one corner of the world can and will affect us all. Here in the UK we are largely sheltered, but even our temperate weather is changing. Just yesterday your Lordships' House agreed on an SI to help our farmers struggling from too much rain and then too much sun.

This is our second chance to reset. The first, in 2008, was spectacularly squandered. Vast amounts of public money were spent reassembling an old economy of oil and gas; it ensured that the wealth remained in

the hands of the rich. Anti-trust laws remain weak and, like weak trade laws, they allow climate-damaging businesses to flourish at the expense of us all. Additionally, the social inequalities deeply embedded in our society have been laid bare by this pandemic.

We need to decide who we support when we come out of lockdown. Do we support the fossil fuels and airlines or a more sustainable world? There is no realistic way to make air travel carbon neutral and we cannot make the fossil fuel industry pleasant to our environment, but we have choices. Green technology is standing by, ready and waiting; in many places it is already cheaper. We could travel, use our land and eat and consume in different ways. Plenty of these jobs are tailor-made for the young.

It sounds drastic, but this year we will have dropped our emissions by 5.5%, whereas we need to drop by 7.6%—but every survey I read says that people want change, and it should be for the Government to support them in this change and lead them forward to a better future. If we go backwards now, it will be completely right that our children and grandchildren should despise us.

3.01 pm

Lord Haskel (Lab): Noble Lords are right: the pandemic has clearly shown how the economy does not work for everyone and lacks resilience. Take the resilience of care homes. The largest group has a complex offshore ownership that receives excessive related-party payments, resulting in a debt level of £56,000 per resident. With the declining occupancy due to excess deaths, they are looking for rescue. Empty beds do not pay interest.

Similarly, as a result of non-payments and their excessive debt, some cut-price electricity suppliers have raised the possibility of groups of customers being cut off unless the regulator steps in with money. Their lack of resilience is a danger to us all.

I do not know what the Government are going to do, but as a condition will they introduce and accelerate a new industrial strategy to help deal with this—one based on purpose? I put it to the Minister that the Government would be pushing at an open door. Before the pandemic this idea was well developed, with institutions as diverse as BlackRock and the Local Authority Pension Fund Forum calling for it. We need a purpose that calls on companies to behave responsibly in employment, investment, risk, environment, taxation, training and research.

Will the Government use this opportunity to remove the risks I spoke of and stimulate a more purposeful economy that would create the fairer and more equal economy that many noble Lords have called for?

3.03 pm

Lord Lang of Monkton (Con): My Lords, I declare my interests as per the register. My right honourable friend the Chancellor is surely right to stress the urgency of getting his recovery plans under way as quickly as possible, as lockdown gradually becomes unlocked. He has a major challenge as he seeks to balance between borrowing, spending and taxation while retaining confidence in the stability of the public finances and seeking to liberate private enterprise.

[LORD LANG OF MONKTON]

It will be a rough ride. Business needs confidence to invest; we would prefer certainty. It is hard to guarantee that in the present circumstances, but one way in which the Government can help is by standing firmly behind their commitments to conclude Brexit by the end of this year. The pressure to extend negotiations for two more years with the Barnier blockade—incidentally, costing many billions of pounds or euros—must be resisted. We would like a good deal but, more than that, we need finality. We have already left the European Union, whose share of world trade has fallen from around 40% when we joined to around 15% now. Europe is the slowest-growing continent in the world. We cannot accept continued servitude to regulations. We should have no part in trade deals, continued membership of the common fisheries policy or the outreach of the European Court of Justice. That could mean leaving without a deal—not the best outcome, but one that could quickly be built on.

Anyway, WTO rules are very familiar to many, as most of our foreign trade is conducted in this way. Tariffs are low and falling, and I was glad to see my former department produce a commendable new UK global tariff, under which more than 60% of incoming goods will be zero rated. It is regulations and euro-bureaucracy, not tariffs, that damage trade.

Of course, the EU countries will remain important markets to us, and we to them, but we must also focus more urgently on the global scene. With trade deals with the US and Japan already in negotiation and membership of the Trans-Pacific Partnership beckoning, overseas trade is one of our routes to recovery post Covid-19.

3.06 pm

Lord Empey (UUP): My Lords, a number of colleagues have mentioned housing. However, there is a perverse government policy with regard to the application of VAT that applies in the housing market. It is environmentally and in many other ways more economic to encourage the development of social and other housing on brownfield sites where existing infrastructure is already in place. However, the way the VAT system works is that we incentivise people to build on greenfield sites, which is counterintuitive.

I have raised this issue in the past, and the Treasury's argument has been that there would be refurbishments and renewals of brownfield properties, and therefore that there would be dead weight if the VAT were reduced or removed on brownfield work and refurbishments. However, we are in a new era now, and I believe the Treasury should revisit this. Removing that cost in redevelopment of brownfield sites, for commercial and particularly housing projects, could be a stimulus but would also help solve the housing problem, which is at the core of poverty and so many social and other issues.

Will the Minister examine the possibility of using the VAT system to encourage the redevelopment and refurbishment of properties on brownfield sites and not give an incentive to people to build on greenfield sites?

3.08 pm

Lord Henty (Lab): My Lords, I thank my noble friend Lord Eatwell for this debate and his superb opening speech. The Covid crisis has revealed the wholesale failure of workplace law to protect workers. The plain and unambiguous requirements of the Control of Substances Hazardous to Health Regulations 2002 and the Personal Protective Equipment at Work Regulations 1992 have been flouted by many employers, not just in the NHS and this week in the House of Commons. The failure to enforce these laws is a disgrace and a tragedy. It is an affront to the rule of law.

Labour laws have also failed to ensure a decent income. We now realise how appallingly paid are our key workers, doctors excepted. The laws that should protect, do not. The gender pay gap remains at 17.3%. Some 25% of those entitled to the minimum wage are paid less than it. Statutory sick pay is a mere £95.85 a week. The wage share of GDP has fallen from 65.1% in 1976 to 49.2% in 2019. Some 9 million people live in poverty in a household in which at least one person is in paid work. Sir Michael Marmot reminded us that inequality of income means inequality of health and life expectancy. This week's Public Health England report brings that fact starkly home in relation to coronavirus.

We need a whole new transformation of our labour laws, in which the voice of the workers must be heard. Above all, we need the reinstatement of sectoral collective bargaining, which was the way out of the crises after the First World War, the great depression and the Second World War.

3.10 pm

Lord Lilley (Con): My Lords, it is not clear how much lockdown has helped to control the pandemic, but it is absolutely certain that it has created the worst recession in 300 years. Unlike most previous recessions, this is the result of the suppression of output and not a collapse of demand. Indeed, there is substantial pent-up demand, so the remedy is not primarily Keynesian pump-priming. It is, first, to release the lockdown as speedily as possible to enable viable businesses to recover and resume production. Most important is the reduction of the social distancing rule from two metres to one metre and scrapping the absurd plans to quarantine all tourists, without which the hospitality and travel industries cannot survive.

However, not all businesses will be viable once the lockdown ends if the pattern of demand has changed permanently, so the second priority is to encourage and facilitate the growth of new businesses and expansion of existing firms. The most effective ways to do that are tax cuts designed to bring forward activity—for example, by increasing capital allowances so that instead of taxing companies when they invest, we do not tax them until their investments generate profits. There should also be time-limited cuts, so that companies have an incentive to invest and produce sooner rather than later.

Equally important is speeding up regulatory decision-making, without lowering standards, to enable businesses to go ahead with new projects. The key lesson of the pandemic has been that state regulatory bodies, which normally take months or years to reach decisions, can,

under intense public and political pressure, take decisions in days or weeks instead of months and years. Wherever possible, regulators should be given tight deadlines to reach decisions and if they do not do so in time would be deemed to have given consent. Then businesses can get out and invest to bring an end to this recession.

3.12 pm

Lord Fox (LD): My Lords, I declare my interests as set out in the register. Today's debate is timely and the noble Lord, Lord Eatwell, should be congratulated on securing it. Your Lordships' contributions make it a difficult job to wind up this debate. The backdrop against which it is conducted is one of darkening economic storms. The Institute for Public Policy Research today issued a report predicting that greater than 1 million people will be "plunged into poverty" by the end of the year; included in that are some 200,000 children. This debate is a chance to tease out the Treasury's thinking on the next steps, and those beyond, for our economy. I hope the Minister will be forthcoming.

First, looking back, noble Lords have mentioned Germany, which is held by many to have tackled the virus very well. What factors contributed to its relative success? We all know that Germany has a strong industrial base as a result of decades of public policy. Yet I believe I heard comments from the government podium implying that the Germans were somehow fortunate to have the private companies they needed to lead their testing programme. Countries make this kind of luck. Germany also has a well-organised regional administrative capacity through which to deliver its virus defence and recovery programme. This stands in contrast to the UK approach, not least on testing and our nascent plans for tracing.

The evidence shows that we are a country where public policy has for decades undermined our industrial capacity, and one with an uncontrollable urge to overcentralise. This is a country where local government has been drained of finance, belittled and undermined, and where the regions and nations are often ignored by Westminster. These chickens came home to roost during this crisis. Unless and until the Government undertake to sustain a meaningful industrial strategy, and do it in a devolved way, any economic recovery efforts will be severely hamstrung. Sadly, it is often the Treasury which is portrayed as an overwhelming influence against these two things. Can the Minister undertake to call off the centralising urges of the Treasury?

We have heard that there will be millions of jobs on the line. Today, Make UK, which represents 20,000 businesses, has told a Select Committee in the Commons that one in four manufacturing firms plan to cut jobs. For example in aerospace, Rolls-Royce announced 3,000 UK redundancies this week, with, of course, a knock-on effect to the supply chain. Elsewhere, today's IHS Markit survey says that some 64% of building firms reported a drop in construction activity during May. Car showrooms have recently reopened but, not surprisingly, UK car production is down by about 99%.

However, some of the sectors that are suffering worst are made up of myriad SMEs. These include the hospitality, tourism, arts and creative sectors, as set out by my noble friend Lady Doocey and many others in their speeches. SMEs across the country—across

the whole economy—are also the drivers of growth, while being key entry places for new people coming into work. For many of these businesses, further loans will not be the answer. The noble Lord, Lord Eatwell, is right to highlight the liquidity trap facing such businesses. Loading them up with debt will cause them to fail. The EU seems to be moving towards a grants system, so, in addition to the question of the noble Lord, Lord Eatwell, on possible equity injections, can the Minister tell your Lordships what the Government's position is on grants—not just to public organisations, as noble Lords set out, but to private sector organisations?

The noble Lord, Lord Kerslake, and the noble Baroness, Lady Warwick of Undercliffe, spoke about stimulus programmes and focused on housing. Others not in this debate may be pinning their hopes on a consumer-led recovery. The German Government have agreed to a €130 billion fiscal stimulus, centred on a big cut in VAT. They also plan a €300 one-off children's bonus payment. The aim of their package is to stimulate consumer demand, but given that we make so much less than the Germans a consumer-led recovery here is more likely to benefit Amazon than the UK economy. I would like to tease out from the Minister what the plans are for investing in a recovery. My noble friend Lord Razzall made a raft of suggestions, which I will not repeat, but can the Minister set out how the Treasury is approaching this issue?

The noble and right reverend Lord, Lord Harries, talked about social solidarity and was right to do so. It is extremely unfortunate that even some of those people retaining their jobs are doing so at the expense of having worse contracts than they had before the virus. Within that, we will almost certainly see an upsurge in the number of gig workers. During the crisis, many of us have been sustained by the services of today's gig workers. The noble Lord, Lord Hendy, rightly pointed out that many of them are employed on very disadvantageous terms. To discourage this race to the bottom, Her Majesty's Government need to send a message now. One way to start doing that is by implementing the Taylor review of modern working practices. Protection of gig workers and the implementation of decent conditions should now be a priority. The Taylor report contains a range of improvements that the Government have said they accept, yet it is gathering dust. Can the Minister undertake to talk to colleagues about implementing the Taylor review, and to come back to your Lordships' House and report on his discussion?

Finally, there is our trading position in the world. The EU negotiations seem mired; indeed, the Bank of England is preparing for no deal. The US free trade agreement will lead to nothing before elections there. The Japanese negotiations may yield something sooner, and perhaps a fraction better than the deal we currently have under the EU's umbrella. At the very best assumption, an EU-Canadian type of free trade agreement, which looks unlikely, would mean at least 5% of GDP being cut. Even if the noble Lord, Lord Lang, gets his dream deals with the US and Japan, those will struggle to recover as much as 1% of the GDP that we have lost. This is all on top of a double-digit hit on GDP from Covid-19.

[LORD FOX]

I am not calling to cancel Brexit—we have left the EU—but for any Government to allow the full effects of a no-deal Brexit on top of the economic shock of Covid is careless with people's lives and prospects. As the noble Lord, Lord Low, and my noble friend Lord Shipley highlighted, there needs to be an extension to the transition period of two years to allow the Covid-19 pandemic to be managed strategically and carefully. Does the Minister agree that it is far more sensible to give ourselves time to get the best possible trading arrangements with the EU and other third countries before we shut the door on our favourable deal with the rest of Europe?

Briefly returning to industrial strategy, I fully endorse the comments of my noble friends Lord Oates and Lady Sheehan and others such as the noble Baroness, Lady Boycott. We must set out for a green, jobs-led recovery which also seeks the strategic self-sufficiency that my noble friend Lady Bowles mentioned. For a green, jobs-led economic strategy to work, it has to be consistent over many Parliaments. I know that the noble Lord, Lord Stevenson, who will speak after me, is enthusiastic in this regard and that he is a reasonable person, as we are on these Benches. There needs to be a cross-party agreement on the way forward to lock this into the future. Will the Minister go back to his colleagues and propose a cross-party approach to planning for this vital element of our future?

Using most conventional measures, the economy is at least overstretched if not bust. We will have many millions more unemployed people and still more underemployed people, and few jobs for young people. The most vulnerable will be hit hardest. Meanwhile, the climate emergency is accelerating, China and the US are completely polarising the global economy and we are about to put up the barriers to the EU. I look forward to hearing the Minister's response.

3.22 pm

Lord Stevenson of Balmacara (Lab): My Lords, I congratulate my noble friend Lord Eatwell on securing this debate and delivering a masterful speech. I thank all those who have contributed. Two minutes is a ridiculously short time in which to express a fully rounded argument, but taken in the round we have covered a lot of ground and we anticipate a proper response from the Minister, perhaps backed up with letters if they are required.

My noble friend Lord Chandos said that it might be too early to draw lessons from this pandemic, but we already have a long list of issues that we need to address. Local government is starved of funds and responsibilities. Our NHS is brilliant, but not funded sustainably. Our social care system is neglected, fragmented and underfunded. The benefits system cannot cope when incomes drop unexpectedly, particularly for those in the gig economy or who are self-employed. Inequality is hard-wired into our society. In pursuit of a false goal of freedom from red tape, we have winnowed away the good regulatory base that is the foundation of all strong societies. Wages in our lower-income deciles are too low. We need to do something about the living wage. Our tax system is not fair. Productivity has stuck again and that is not capable of being resolved.

Housing seems out of sync with needs, and we need to improve the treatment of those who face unmanageable personal debt. So we have a long list of starting points, not all of which we have covered in this debate, but which give us food for thought.

Yet ironically, as my noble friend Lord Darling reminded us, the crisis has also revealed the true power of the state. Joseph Stiglitz said recently:

“when we face a crisis like an epidemic or a hurricane, we turn to government, because we know that such events demand collective action”.

The urgency with which the Government have acted so far demonstrates how their response to an emergency can be swift, decisive and at scale—for example, the furlough scheme, which now supports nearly 9 million people—but more is required as we move to the recovery stage. This has led some, such as the right reverend Prelate the Bishop of Chelmsford, to suggest that an entirely new approach may be necessary, perhaps something as radical and far-seeing as the Beveridge report of the 1940s, with its call for a country to unite in the aftermath of war and to legislate for all to employ gainful employment, adequate housing, access to educational opportunity, free healthcare and an adequate income. The language used nearly 80 years ago may be archaic but Beveridge's aims remain appropriate, albeit that today we would need to add a sixth aim: to provide a cleaner, more sustainable economy.

We are fast approaching the point where the focus of the Treasury's efforts has to change from ameliorating supply shock to boosting demand. As the pandemic eases, and assuming we do not suffer a second or subsequent waves, how will we persuade people to spend more than they do at present on goods and services? To do that, people have to trust the Government and believe that they are not just winging it. They have to feel secure about their income and employment, and certain that spending on immediate necessities today is not going to tip them into unmanageable debt tomorrow. Consumer confidence is vital for the economy, as well as for its own sake. According to *Which?*, in normal circumstances consumers spend more than £110 billion per month, which is around 60% of total GDP. We do not want to turn this great pause into a great depression.

At heart it seems simple enough: the Government need to consult widely and come up with a comprehensive rescue plan to drive up demand and reduce business uncertainty for the long term—a strategy which focuses on sustainable, high-quality job creation and long-term growth significantly above recent trend levels. They also have to secure the confidence of consumers and avoid any hint of austerity, which can only make things worse.

There are important choices to be made here. For example, writing recently in the *Times*, the most reverend Primate the Archbishop of Canterbury said:

“There must not be a short-term fix and then simply a return to normal. We need a vision for the psychological, emotional, social and financial consequences. We must see the hope of a new way of living together.”

The Countryside Alliance says that while we must support those communities and services worst impacted—several noble Lords highlighted the problems of the

creative industries, the hospitality sector and tourism—we must ensure that no part of the UK is left behind, especially seaside and rural areas. One of the persistent failures of Governments so far is to deliver on plans to provide gigabit-capable broadband to rural businesses and residents by 2025, as promised in the last general election manifesto. Can the Minister confirm that that is still the Government's aim?

Recent polling suggests that the public also want something else. They do not want the economy simply to return us to where we were pre-pandemic; they want a new deal, with growing support for a green new deal. Voices are growing on all sides for the Government's economic recovery plan to reflect the UK's climate goals. Earlier this week, almost 200 chief executives from companies including HSBC, National Grid and BP signed a letter to the Prime Minister which said that

“Efforts to rescue and repair the economy in response to the current crisis can and should be aligned with the UK's legislated target of net zero emissions by 2050 at the latest.”

Can the Minister confirm that the recovery package is in planning and that it will look beyond shovel-ready projects and be focused on long-term investment in green industries to secure the recovery? Can we look forward to an army of workers planting trees, rewilding our countryside, insulating our existing housing stock and office buildings and working on green technologies? What about a scrappage scheme focused on switching private and public transport to electric vehicles? Such a package, taken together, could provide people—particularly in rural areas and those entering the labour force this year—with much-needed job security after this period of turmoil, and benefit everyone's financial security through lower energy bills.

The current public investment in our economy is unprecedented, but does the Minister agree that such investments should be used to return benefit to the public good? Will we follow the lead given by other countries and ensure that any government support to private companies should be in the form of equity or grants? If it is equity, does he accept that there is a case for such support to be contingent on legally enforceable commitments for companies to reduce energy-intensive activity and achieve stretching zero-carbon targets?

Finally, as my noble friend Lord Eatwell said, the pandemic has exposed severe weaknesses in global production and trade. Countries are turning in on themselves, and we know that cannot be a good thing. Twelve years ago, major international efforts led by Gordon Brown stabilised international financial markets. Now we need a resilient, co-operative, international trading system, lest Britain becomes marooned alone in a hostile post-Brexit world.

Coronavirus has cruelly exposed global inequality, so different priorities for trade need to reflect a reoriented world. A sustainable trade policy could focus on securing opportunities for all sizes of businesses, human and employment rights, consumer interests and climate protection for the long term. How does the Minister see this playing out in the UK?

We need to use this opportunity to commission a Beveridge moment, and thinking on that should start soon, but we also need an immediate demand stimulus

and a longer-term plan, under which the Government will work with all parts of society to secure the recovery based on a green new deal which shares the benefits of cleaner inputs and more sustainable outputs for the benefit of us all.

3.30 pm

The Minister of State, Cabinet Office and the Treasury (Lord Agnew of Oulton) (Con): My Lords, I congratulate the noble Lord, Lord Eatwell, on his initiative in securing this debate. I am grateful for the opportunity to discuss this matter.

Noble Lords have spoken about the threat to our economy, how we have sought to protect it during this crisis and what we might seek to do afterwards. The coronavirus is the biggest threat that this country has faced in decades and this country is not alone. All over the world, we see the devastating impact of this invisible killer.

The Government's action plan aims to slow the spread of the virus so that fewer people need hospital treatment at any one time, protecting the NHS's ability to cope. That is the right thing to do, but people are also justifiably concerned about their livelihoods during this difficult time. We recognise the extreme disruption that the necessary actions are having on people's lives, businesses and jobs. Just as we face a health emergency, so we face an economic emergency too. There can be no doubt about the seriousness of the situation. It is important that we are honest: it will have a very significant impact on our economy.

That is why the Government have announced unprecedented support for public services, individuals and businesses to protect against the current economic emergency. That includes the Coronavirus Job Retention Scheme, which has already helped businesses to keep millions of people in employment and has been extended until October, and the Self-employment Income Support Scheme, which benefits 95% of people who are mainly self-employed. To support firms and businesses through the crisis, the Government have announced unprecedented support, including government-backed loans for businesses of all sizes and grants for small businesses and highly innovative firms.

Through the Coronavirus Business Interruption Loan Scheme, over 45,000 facilities have been approved so far, worth more than £8.9 billion, and 700,000 loans, worth more than £21 billion, have been approved through the new bounce-back loans scheme, supporting the very smallest businesses. Over £10 billion-worth of grant payments have been made to over 800,000 business premises so far.

Further government support measures mean that almost half of all business properties in England will pay no business rates at all this year, notably in those sectors hardest hit by the lockdown, 2.3 million businesses have been offered a VAT deferral and up to 2 million employers will be able to access the statutory sick pay rebate. The Government are supporting people on low incomes or those who find themselves facing hardship through a significant package of temporary measures. That includes a £20 per week increase to the universal credit standard allowance and working tax credit basic element and an increase in the local housing allowance

[LORD AGNEW OF OULTON]

rates for universal credit and housing benefit claimants so that it covers the cheapest third of all local rents. Mortgage lenders are also offering a three-month payment holiday for those customers struggling with their finances as a result of the coronavirus.

Throughout the past few months, the Government have worked closely with the Bank of England, business groups, trade unions and many others around the country to develop these support measures. Taken together, these measures are protecting millions of people and businesses across the country through a set of economic interventions on a scale never previously attempted, and they are working. In developing our economic policy, the Government have listened to a wide range of evidence and views.

As the Chancellor said, it is premature to speculate about future public finances, budgets and the economy, but it is notable that the independent Office for Budget Responsibility and the Bank of England both agree that the actions that we have taken will help to mitigate the impact of the virus on our economy and that, without our package of measures, things would have been far worse. Not taking those steps would result in the temporary effects of the Covid-19 virus leaving permanent scars on our economy. Although we are spending unprecedented amounts, the consensus both in the Government and among external economists is that not spending at these levels would cause even more damage.

The work of the last 10 years in bringing borrowing and debt back under control has ensured that public finances are well placed to deal with the challenges posed by Covid-19. The overwhelming evidence indicates that British people and businesses are following the Government's guidelines. Thanks to people's hard work and sacrifice, and despite the tragic loss of life, the UK has slowed the spread of coronavirus. Our health system has not been overwhelmed.

Now we must begin to recover and eventually restore our way of life. The Government have set out a conditional road map for reopening certain economic activities, while continuing to suppress the Covid-19 outbreak. Our economic strategy will be closely co-ordinated with the public health strategy. As infection rates fall, we will take stock of the economy and public finances to make the right decisions for the circumstances in which we find ourselves.

In formulating this road map, the Government have considered: the country's long-term economic future, which could be harmed by people being out of jobs and by insolvencies; the sustainability of public finances, so that the Government can pay for public services, including the healthcare response; and the UK's international economic competitiveness. Ultimately, a strong economy is the best way to protect people's jobs and ensure that the Government can fund the country's vital public services.

I will pick up on comments made by noble Lords. I will not name each noble Lord individually in the interests of time, and if I am not able to address all of the points raised, I will write at the conclusion of the debate.

The noble Lord, Lord Eatwell, and others raised the issue of public sector spending and investment in the NHS. The Government have backed the NHS during this crisis with more than £16 billion for the Covid-19 response fund, which has gone towards public services, including the NHS and local groups involved in the fight against coronavirus. But beyond that, the NHS settlement committed in January last year provided one of the largest tax increases in public services since the Second World War—an additional £34 billion a year by 2023-24. The 2019 spending round confirmed the Government's commitment to the NHS with £139 billion for health budgets in 2021. The Budget provided over £6 billion of further funding to strengthen the NHS in England and pay for vital services. That will improve people's health, reaffirming the Government commitment to health and social care.

The new life assurance scheme for front-line NHS and social care workers recognises the increased risks faced by these staff in the crisis during the course of their essential and life-saving work and the need to encourage retired doctors and nurses to fill staff shortages and boost service capacity. The Government will continue to review the support provided to key workers on the front line.

On the matter of reopening the economy, the Government have a carefully planned timetable for lifting restrictions. This is a difficult balancing act. The timetable depends on successfully controlling the spread of the virus. If the evidence shows that sufficient progress is not being made in controlling the virus, lifting restrictions may have to be delayed.

Social distancing is again a matter of strong debate. It is absolutely vital for controlling the virus, but we need to keep that debate alive. The criteria are reviewed every three weeks and are driven by the latest available data analysis and scientific advice.

In terms of business support, the Government continue to work closely with businesses and sector leads to monitor the impact of Covid-19 across the whole economy. The Chancellor recognises the challenges that businesses face and is focused on taking the necessary steps to support a strong and sustainable recovery. He will publish such plans in due course. As I have already said, to support firms and businesses through the crisis, the Government have announced unprecedented levels of support, including government-backed loans for businesses of all sizes and grants for small businesses and highly innovative firms.

On the equity side, our new future fund provides loans that convert into equity to high-growth companies that can raise equivalent match funding. The Government are aware of proposals around equity investment. For some companies, further debt may not be the right answer, but the private sector should be the first port of call for businesses seeking new equity investment. The Government will keep the policy under review and vigorously test any proposals for their value for money.

On the culture and performing arts sectors, we have set up a task force to work with industry representatives to develop safe ways for industries to reopen at the earliest point that it is safe to do so. The Government completely recognise the contribution that the culture,

leisure and entertainment sectors make and how they have been particularly affected by the crisis. Theatres and performing arts institutions can benefit from the range of support schemes that have already been introduced, including the CJRS and business loans. There is a task force for recreation and leisure, led by the Culture Secretary. It covers all industries relating to tourism and culture, including libraries, entertainment and sport. The task force first met on 22 May and is meeting every week.

On the construction and housing sector, the Government have committed to building at least 1 million more homes by the end of this Parliament, continuing progress towards our target of delivering 300,000 additional homes every year, on average, by the mid-2020s. Over 240,000 additional homes were delivered in 2018-19, the highest level for the last 32 years, representing a 65% increase since 2009-10. The Government plan to publish very shortly a comprehensive list of planned government procurement linked to the delivery of infrastructure and construction projects for the financial year 2020-21.

Turning to the insurance sector, the Government are working closely with the FCA to ensure that the rules are being upheld during this crisis. They recognise that businesses that do not have appropriate insurance cover will require support from elsewhere. As such, businesses should explore the full package of support.

Going further into the recovery, as the Chancellor has said, it is premature to speculate about the future public finances. First and foremost, we are thinking about protecting people's health and jobs and supporting businesses.

A number of noble Lords mentioned VAT. We have already deferred VAT for businesses during the crisis, so UK VAT-registered businesses will not need to pay any VAT that is due alongside their normal VAT return from 20 March through to the end of June—a deferral worth over £30 billion or 1.5% of GDP.

My noble friend Lady Buscombe asked about the tax status of foreign nationals. The statutory residency test determines an individual's residency status when they move between countries and ensures that they know whether or not they are resident when they spend time in the UK, and thus whether they should correctly pay UK taxes. Nationality has no bearing on the tax that an individual pays. An individual who moves permanently to live in the UK will pay tax on their worldwide income and gains, just as any other UK resident does. The UK has a special tax regime for individuals whose permanent homes are outside the UK—referred to as non-domiciles—but when they are UK-resident, they will pay UK tax on all their UK income and gains.

A number of noble Lords raised the issue of low pay. Low-paid workers will benefit from the April 2020 increase in the national living wage, which represents an increase of over £930 in the annual earnings of a full-time worker on the national living wage, equivalent to a total increase in annual earnings of over £3,600 since the introduction of the national living wage in April 2018. We have also taken a large number of people out of income tax thresholds over the last 10 years. That has always been a priority for this Government.

A number of noble Lords raised the need for a green recovery. The Government completely agree. The Budget reinforced the UK's strong track record in this area. Announcements included £640 million for tree planting and peatland restoration, over £1 billion of further support for ultra-low emission vehicles, and at least a doubling of the funding for energy, innovation and tax measures to encourage greater energy efficiency and to reduce plastic waste, among other things. We recognise the importance of a strong economy in supporting the transition to net-zero emissions and will continue the UK's leadership in clean growth. The Government have announced unprecedented support for public services, workers and businesses to protect against the current economic emergency.

On hydrogen, we have announced £120 million to explore opportunities in energy efficiency. We are extending support to 2028 at the current level of the energy company obligation scheme funding, with £6 billion of investment to improve energy efficiency. It is also worth noting that coal emissions have fallen by nearly 80% in the last decade, and carbon emissions have fallen in the last seven consecutive years. According to some measures, in 2019, our emissions had fallen back to the level they were at in 1888.

Levelling up was raised by several noble Lords. Despite the immediate challenges facing the UK, we are still absolutely committed to bringing prosperity to the whole country. The Civil Service has, for example, committed to move over 20,000 jobs out of London, and that process has begun. We have identified 15 hubs around the country to which civil servants will move. These will become hubs for good-quality jobs in the future.

Well-being is already part of the Treasury Green Book and it took a more prominent role following the 2018 updates. The Government are mindful of the evidence of how previous recessions have impacted health outcomes. The unprecedented support for public services plays to this point. In developing our economic policy, the Government have listened to a wide range of evidence on this.

A number of noble Lords raised the issue of EU exit. We will not extend the transition period, as it would simply defer the moment at which we were in charge of our own destiny. The Government believe that there is time to strike a deal based on free trade and friendly co-operation. We are looking for an agreement largely like the one that the EU has agreed with other countries. Therefore, we cannot see why it should be so complicated.

On trade, during the crisis, G7 and G20 Finance Ministers have released statements committing to do whatever is needed to restore confidence and economic growth, including supporting trade ministries' efforts to address disruptions in international trade and supply chains. We are continuing to strengthen our trade relationships around the world. For example, last month, the Secretary of State for Trade launched the first round of trade negotiations with the US.

The range of contributions that we have heard here today demonstrates what a broad and complex issue this is. Through the measures they have taken, the Government have sought not only to protect people's

[LORD AGNEW OF OULTON]

health and livelihoods, and to shield the most vulnerable in our society, but to preserve the productive power of our economy in order to bring about a swift and lasting recovery from this crisis. The Government will continue to act on the basis of scientific advice, and they will continue to listen to the voices of employers and business, trade unions and others as we navigate our way through the crisis and back towards a future of growth and opportunity.

I finish by thanking all noble Lords for their contributions, but especially the noble Lord for securing this valuable debate.

3.48 pm

Lord Eatwell: My Lords, I am grateful to all noble Lords who have contributed to this debate. There were so many interesting, albeit short, interventions. I have one major comment, but first, I express concern at the Minister's use, three times, of the phrase "sustainable public finances". That sounds very comfortable, but it is the weasel word for austerity. Whenever anyone hears that phrase, the alarm bells should ring.

My general comment is that what many noble Lords looked for was vision—a vision of a resilient economy. In the public sector, that is easy to define. It means building up what the noble Viscount, Lord Chandos, called "redundancies", meaning the excess capacity to respond to emergencies such as the one that we are suffering at the moment. However, in the private sector, it means a regulatory framework which ensures that private firms sustain the level of capacity which will enable them to respond effectively to major crises. In the financial sector, stress tests are required, and those stress tests test redundancies; they test the capacity to respond to major shocks. We need a wider view of resilience and redundancy—in that specific use of the word—to ensure that in our economic future, we can deal with the major biological, environmental and occasionally economic shocks that will inevitably come.

I thank the Minister for his summing up and look forward to hearing his response to my questions. Thank you.

Motion agreed.

The Deputy Speaker (Lord Rogan) (UUP): My Lords, the Virtual Proceedings will now adjourn until a convenient point after 4.30 pm for the Question for Short Debate in the name of the noble Baroness, Lady Anelay of St Johns.

3.51 pm

Virtual Proceeding suspended.

Arrangement of Business *Announcement*

4.36 pm

The announcement was made in a Virtual Proceeding via video call.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): Good afternoon, my Lords. Virtual Proceedings of the House of Lords will now resume. I remind all Members that these proceedings are subject to parliamentary privilege and that what we say is available

to the public, both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. Members may now need to accept an onscreen prompt to unmute their microphone. When Members have finished speaking, their microphone will again be set to mute.

The Virtual Proceedings on the Question for Short Debate in the name of the noble Baroness, Lady Anelay of St Johns, will now commence. This is a time-limited debate. The time limit is one hour.

Hong Kong: Human Rights *Question for Short Debate*

4.37 pm

Asked by Baroness Anelay of St Johns

To ask Her Majesty's Government what assessment they have made of the impact on human rights in Hong Kong of the national security law proposed by the National People's Congress of China.

The Question was considered in a Virtual Proceeding via video call.

Baroness Anelay of St Johns (Con): My Lords, the draft legislation passed last week by the People's Congress of China threatens to be the death knell for "one country, two systems", the framework agreed before Britain handed Hong Kong over to China in 1997 that protected its special status. The legislation would undermine Hong Kong's high degree of autonomy and be a serious threat to human rights there. I therefore welcome the Statement made by the Foreign Secretary in the House of Commons on Tuesday that if China does not reconsider its approach, the UK will not just look the other way when it comes to the people of Hong Kong; we will stand by them and live up to our responsibilities.

I shall outline the following issues: the nature of the legislative process so far, what it means for Hong Kong and why the UK should take action to protect the freedoms of the people there. My main questions to the Minister today are as follows. What is the Government's current assessment of the legislation's impact on human rights in Hong Kong if it were to be enacted? What will they do next to fulfil the commitment made by the Foreign Secretary in the House of Commons and by the Prime Minister, writing in the *Times* newspaper yesterday? What factors will the Government then take into account when deciding on their next steps?

Last week the People's Congress rubber-stamped a draft decision. That resolution will now pass to China's senior leadership to be fleshed out into a draft law. The proposals outlaw behaviour deemed to be subversion, terrorism, separatism, assisting foreign interference or endangering national security. Charges such as these are often used in mainland China to detain dissidents and political opponents. It now seems that the era of Hong Kong's political freedom could be over and that many could become criminals for actions that were legal until now.

Reportedly, Beijing wants the law to be implemented before Hong Kong's own legislative elections in September. Direct imposition of the security law by Beijing, rather than through Hong Kong's own institutions, would curtail the liberties of those in Hong Kong and dramatically erode Hong Kong's autonomy and the system that made it so prosperous. Through the Sino-British joint declaration, we aimed to protect the city's unique status and defend some of its key institutions, such as the Legislative Council and the court. The rule of law and an independent judiciary are the foundations on which Hong Kong's success is built. Both are at risk from the draft legislation.

The legally binding joint declaration, signed by China and the UK, and registered at the UN, sets out that Hong Kong will have a high degree of autonomy. It also provides that rights and freedoms, including those of the person, of the press, of assembly, of association and others, will be enshrined in law in Hong Kong, and that the provisions of the two UN covenants on human rights—the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights—shall remain in force. But, as the Hong Kong Bar Association has pointed out, there is no assurance in the draft decision that the law will comply or be required to comply with those provisions.

If “global Britain” is to mean anything, it is vital that we maintain our values and uphold the agreements we signed up to. We have a duty to the people of Hong Kong to do just that. I have the honour to chair your Lordships' Select Committee on International Relations and Defence. It was a privilege to take over the chair last year from my noble friend Lord Howell, who is speaking in this debate. He led us on our major inquiry into UK foreign policy in a shifting world order. The report concluded that the Government should work with China

“in a manner which is consistent with the rules-based international order”.

It also noted:

“In the longer term, the Government will need to weigh up the strategic challenge posed by China's approach to its international role, and its impact on the rules-based international order, against China's growing economic significance.”

In their response to our report, the Government stated that

“China's position is sometimes at odds with parts of the rules based international system. Where China's approach challenges important principles of the order, such as human rights—an important part of the international architecture—we and our allies speak up for our values.”

Given that, what will the UK Government do next? Ministers have already made it clear that they will commit themselves that if the Chinese Government go through with their proposed legislation, the UK will do the following. First, they will work with the international community on these matters. The joint statement by the UK, US, Australia and Canada last week was welcome, but how will they now develop that international partnership beyond the Five Eyes? Secondly, they will put in place new arrangements to allow British nationals overseas to come to the UK

without the current six-month limit, which would include a path to citizenship. Does that include their dependants?

What impact, if any, will economic decisions have on the course of action the Government decide to take in fulfilling their commitments? Will they feel constrained by the vast flows of capital and trade between Britain and China? I would hope not and I believe that as we navigate the way ahead, we should continue to be an outward-looking country that is a champion of collective security, the rules-based international system and free trade, and a defender of human rights. Those are the values that have served us well and we should be constant in upholding them. I look forward to the Minister's response.

The Deputy Speaker (Lord Faulkner of Worcester) (Lab): Before I call the next speaker, I ask the noble Lord, Lord Parkinson of Whitley Bay, the Government Whip, to say a word about timekeeping.

Lord Parkinson of Whitley Bay (Con): My Lords, given the large number of noble Lords who wish to speak in this time-limited debate, perhaps I may underline the importance of keeping remarks to no longer than a minute so that the Minister has time to respond to the important points that your Lordships will raise.

4.44 pm

Lord West of Spithead (Lab): My Lords, China is flexing its muscles rather like Hitler's Germany in the early 1930s, using the distraction caused by the Wuhan virus to see what it can get away with. The new national security law will fatally damage the “one country, two systems” agreement on Hong Kong. China is already breaking international law by its actions in the South China Sea; its threats to Taiwan are becoming more vociferous; it is stealing intellectual property on an industrial scale and taking other aggressive actions in cyberspace; it is increasingly using its economic clout to browbeat and threaten smaller nations; and its treatment of minorities and trade in human organs is unacceptable among civilised nations.

I ask the Minister: is it not time to take some deterrent action, rather than appeasement, to show China that the international community will not put up with this? Appeasement, as we found with Hitler, will encourage bad behaviour and could finally lead to war. We should, for example, encourage the main westernised trading nations to recognise Taiwan; set up a new south-east Asia treaty organisation on the sort of scale we did with NATO in 1949; revitalise like-minded nations to review the successful world order established post World War II and make it fit for purpose in this new world; work with our allies to review all trading links with China; and review Chinese investments and educational links. Urgent action is needed.

4.46 pm

Lord Purvis of Tweed (LD): My Lords, 4 June is a poignant date, because it is the day 31 years ago when the tanks rolled into Tiananmen Square, and many young protesters were the victims. Many in Hong Kong fear that their protests on 4 June, to recognise the sacrifice

[LORD PURVIS OF TWEED]

made by other young people, may well be the very last. My question is about young people, which the noble Baroness, Lady Anelay, alluded to. The Government's plan suggests that the right to visit visa-free for those with BNO status will be extended from six months to 12 months, but there are 250,000 people with BNO passports out of an estimated 2.9 million people with BNO status. They had to secure that before 30 June 1997, and it cannot be passed down to children. There are nearly 7.5 million people in Hong Kong. Given that the greatest threat is to the young people of Hong Kong—many born after 1997—or to the children of those with BNO status, how will we show affinity with those young people and offer them the kind of support that we will offer others?

4.47 pm

Lord Powell of Bayswater (CB): My Lords, I draw attention to my declaration of interests. There is nothing unusual about security legislation; after all, Britain made use of emergency legislation during its stewardship of Hong Kong. What matters is how such legislation is implemented in practice. Hong Kong's Justice Secretary asserts that her department—not its Chinese counterpart—will make all prosecution decisions under the national security law and that Hong Kong's judicial procedures will be followed, and I trust that she is right. Hong Kong's Government accept that the security law is needed, and so does a substantial part of the Hong Kong business community. Both believe that Hong Kong's future economic prospects will be better safeguarded and investment more readily attracted with a security law that is applied in line with Hong Kong's common law traditions.

The Foreign Secretary has spoken up well for Hong Kong's rights, making it clear that support from Britain does not extend to violent rioting or to claims for independence that have no basis in history or law. The Prime Minister's proposal to extend the rights of BNO passport holders, if the new security law is misapplied, will reassure Hong Kongers that they have a safety net if one is needed. The most satisfactory outcome will be a national security law by which Hong Kong citizens feel protected rather than threatened. China's present leaders should show the same wisdom and leadership as China's then leader, Deng Xiaoping, when he agreed the 1984 joint declaration and the principles it contained.

4.49 pm

The Lord Bishop of St Albans: My Lords, in the limited time I have, I ask the Minister three questions. First, in the light of the persecution of the Uighur people and the demolition of Christian churches in mainland China, what representation is Her Majesty's Government making to the CCP about freedom of religion both there and, for the future, in Hong Kong? Secondly, while the extended BNO programme and joint statement with Australia, Canada and the US are commendable, can the Minister explain why the foreign policy review has been postponed just at a moment when a human rights-based foreign policy must surely be our collective starting point? Thirdly, what consideration has been given to an expanded BNO scheme with partner nations—a lifeboat policy—for the 6 million residents of Hong Kong?

4.50 pm

Baroness Helic (Con): My Lords, it is especially ominous that this is happening during the 4 June anniversary of the Tiananmen Square protest, as the “one country, two systems” framework is being eroded—a framework that has preserved liberty, prosperity and democracy in Hong Kong since 1997. I welcome the Government's decision not to shrug our shoulders and walk away. Instead, we will honour our obligations and provide an alternative for the citizens of Hong Kong.

I am sure that my noble friend is aware of the letter that seven former Foreign Secretaries sent to the Prime Minister only a few days ago. They asked that we seek to set up, together with our allies, an international contact group to monitor the situation in Hong Kong and to co-ordinate joint action. Will my noble friend tell the House what consideration has been given to this proposal? Are the Government also seeking the support of our European allies?

4.51 pm

Lord Dubs (Lab): My Lords, I am privileged to have been a friend of Martin Lee for quite some years. He is one of the most resolute defenders of democracy on behalf of the people of Hong Kong. It is clear that this new security law goes entirely against the Sino-British agreement; I believe that Deng Xiaoping would have opposed it. He supported the original “one country, two systems” approach. I remember meeting some students from China in Hong Kong. They told me that they regretted having to return to Beijing because they so valued the democracy under which they lived while they were in Hong Kong.

I believe that the majority of people in Hong Kong are against this new security law. The Hong Kong Bar Association has come out resolutely against it. It is a breach of all international agreements. Surely the key to this is international unity at all levels. We should tell the Chinese that we are totally opposed to it. We should also value the BBC for the contribution it is making in broadcasting to the people of Hong Kong.

4.52 pm

Lord Campbell of Pittenweem (LD): My Lords, I support the extension of passport rights not least because, in 1997, that was called for in the House of Commons by the late Paddy Ashdown, the then leader of the Liberal Democrats. We must prepare for further abuse, threats and intimidation by the Chinese Government. However, we have not only a moral obligation to the Basic Law and the joint declaration; we have a legal obligation as well.

How many people in Britain still believe that we should continue our association with Huawei?

4.53 pm

Viscount Bridgeman (Con): My Lords, I want to make one particular observation on the present turn of events. What motivates the willingness that many Hong Kong citizens have shown to expose themselves to extraordinary personal danger in recent demonstrations?

Prior to 1997, light-touch Administrations gave successive generations of Hong Kong citizens a sense of freedom under the law. The last of these was under the governorship of my noble friend Lord Patten of Barnes. I am pleased to see that he will be speaking in this debate. This sense of personal freedom dies hard. A real fear of its loss is causing many protestors to take extraordinary risks. They are putting their lives and livelihoods on the line against a bullying regime which gives the impression of regarding the 1997 agreement as little more than a scrap of paper. These courageous citizens deserve our support.

4.54 pm

Lord Green of Deddington (CB): My Lords, I declare an interest as president of Migration Watch. I share the widespread concern for human rights in Hong Kong which the noble Baroness, Lady Anelay, so well described.

My problem is that the Government's response is likely to do more harm than good. They accept that their proposals could permit roughly 3 million Hong Kong citizens to come and settle in Britain. This is a huge number—a hundred times the number of Ugandan Asians admitted in the early 1970s. It would add hugely to the existing pressures on public services. For what purpose? No one believes that our Government's response will deter Beijing. China might even welcome the departure of many of its opponents. This is not a sensible nor even viable way forward. It is time to think again. The noble Lords, Lord West and Lord Powell, have both made some interesting suggestions.

4.55 pm

Baroness Jay of Paddington (Lab): My Lords, my anxiety about human rights in Hong Kong is partly a personal matter, as two of my grandchildren were born there. Fortunately, my son's family is now in this country, but there is grave concern for their friends and former neighbours and colleagues. The Prime Minister has made a general offer of a route to UK citizenship for Hong Kongers who wish to leave. Can the Minister clarify who will qualify and when these programmes might start?

Strategically, I hope, with others, that Hong Kong's crisis will be addressed through collective international action and international institutions. It was encouraging when the chair of the Commons committee and a US Senator together urged a revival of the Atlantic partnership, but I fear that we will not see positive collaboration from President Trump. Can the Minister report any progress on the proposal that Britain should lead the formation of an international contact group which could pro-actively engage in Hong Kong's future?

4.56 pm

Lord Wallace of Saltaire (LD): My Lords, Britain cannot resist Chinese Communist pressure on Hong Kong on its own. We have to work with others. I read that our Government is thinking of promoting a new "club of democracies". The world already has two such clubs: the Commonwealth and the European Union. It is characteristic of the incoherence of British foreign policy that we are calling for the creation of something, half of which we have just left.

When Boris Johnson was Foreign Secretary, he boasted that global Britain would send a carrier task force through the Malacca strait into the South China Sea. He never explained what purpose such a deployment would achieve or what place it would have in overall British relations with China. Our Prime Minister appears to have no clear idea at all of what should be Britain's place in the world. Beijing's abrogation of the 1997 agreement on Hong Kong requires a strategic reassessment of our relationship with China. Will the Minister tell us if this is under way?

4.57 pm

Lord Cormack (Con): My Lords, we are all indebted to my noble friend Lady Anelay, not only for securing this debate but for the manner in which she introduced it.

Like the noble Baroness, Lady Jay, two of my grandchildren were born in Hong Kong. I had the honour of leading the last British parliamentary delegation to Hong Kong before the handover. I feel that it is cynical of the Chinese Communist Party to be taking advantage of the pandemic—for which it bears some considerable blame—to flex its despotic muscles in Hong Kong.

While I endorse the Prime Minister's robust response, and as much as I deplore the unfortunate response of HSBC and the Standard Chartered bank, I urge Her Majesty's Government to do all they can to create a democratic alliance within the United Nations to put pressure on any nation which is inclined to destroy the rule of law by abrogating international treaties which they have willingly, and indeed in this case enthusiastically, entered into.

4.58 pm

Lord Hope of Craighead (CB): My Lords, two UK banks have indicated their support for the proposed national security law on the basis that this will stabilise Hong Kong's social order—but everything depends on how this is done. Article 23 of the Basic Law makes it clear that making laws to prohibit matters with which the proposed law seeks to deal is for the region to deal with "on its own". Article 18, which permits the addition of new laws, states that these should be confined to matters outside the limits of the region's autonomy, such as defence and foreign affairs, which is not the case here.

We have yet to see the details, but there are real grounds for concern that civil and political rights, including freedom of speech, freedom of assembly and freedom of the press, will be infringed. Does the Minister agree that it is crucial that the independence of Hong Kong's judiciary, which lies at the heart of the Basic Law, should not be undermined in any way by what is proposed?

4.59 pm

Lord Wood of Anfield (Lab): My Lords, China's national security laws imposed on Hong Kong are wrong for two important legal reasons. First, Hong Kong has not consented to these measures. Its governing authorities tried to pass an equivalent law in 2003, but the proposal fell after mass protests. Article 23 of the Basic Law clearly requires Hong Kong's consent, as a constitutional requirement, as the Hong Kong Bar

[LORD WOOD OF ANFIELD]

Association resolutely maintains. Secondly, these measures are a clear violation of the Sino-British joint declaration, which in paragraph 3 pledges that Hong Kong will “enjoy a high degree of autonomy, except in foreign and defence affairs.”

I support the Government’s suggestion of visa offers to Hong Kongers with BNO status, but I want to ask finally about the Huawei decision, as did my noble friend Lord Campbell. Beijing’s actions in Hong Kong are not the reason to revisit that decision, but they provide evidence about the readiness of Beijing to ignore boundaries between the Chinese central state and other entities to pursue national security. Given this, I cannot see a justification for the Government to continue their plan, and I hope that they will revisit the decision urgently.

5 pm

Lord Wei (Con): My Lords, I declare my interests as in the register. As a Hong Konger by descent, I am heartbroken by this turn of events. It seems that the strategy to influence China peacefully through trade and dialogue has failed and that, sadly, we are progressing towards conflict.

My hope is that, as we respond, and so as not to make their lives worse, we will distinguish between the actions of China’s Government and its citizens, the people of Hong Kong, and indeed British-Chinese here, who have suffered a manyfold increase in racism in the last six months. We must do what we can to support the Chinese diaspora around the world and grant as much protection as we can to BNO passport holders, and the option of migrating here if the worst should happen. I pray that it will not.

5.01 pm

Baroness Falkner of Margravine (Non-Aff): My Lords, I wholeheartedly welcome the United Kingdom Government’s proposals on a route to citizenship for BNO passport holders. I ask the Minister directly whether we could start the process by allowing the 16,000 university students from Hong Kong who are currently in the country the right to convert their tier 4 visas into that process as soon as possible.

My second question is this: what renewed efforts are we making for Taiwanese inclusion and recognition in international bodies? We know that Taiwan will come under increasing pressure as China continues to assert itself in the region, and it is extremely important that we also show our resolute alliance with Taiwan in that regard.

Finally, when can we expect to see the UK Government’s official response to US sanctions against companies using Chinese components and technology?

5.02 pm

Lord Hannay of Chiswick (CB): My Lords, the course of action on which the Chinese Government have embarked, imposing unilaterally on Hong Kong a wide-ranging security law, risks damaging grievously all concerned, including China itself. I endorse the contribution of the noble Baroness, Lady Anelay, in introducing the debate, and endorse too the wise advice of the seven former Foreign Secretaries that we should

work with the widest possible group of like-minded countries to forestall the damage. Certainly, a wider group is needed than that so far mustered, welcome though it was.

I applaud too the Government’s willingness to ease the terms of visas for those holding British national overseas passports. That is the right and honourable course.

Can the Minister say what the Government’s view is of the US Administration’s intention to withdraw the special trade status and treatment they give Hong Kong? Were we consulted before that move was made? Is it not likely that that will only make a bad situation worse, damaging mainly the people of Hong Kong, whose welfare we should be seeking to protect? If that is our view, are we conveying it in Washington, to the Administration and on the hill?

5.04 pm

Baroness Hooper (Con): My Lords, in thanking my noble friend for securing this debate, I associate myself with her remarks, which covered the current crisis so comprehensively. I also wish to confirm my support for the proposal to grant greater visa rights to the people of Hong Kong.

My interest is in the field of education. Given the numbers of Hong Kong students who attend UK universities and private schools, many of whom returned to Hong Kong at the outbreak of the pandemic when schools and universities closed here, can my noble friend the Minister tell us whether any action has been taken by the Government, or any representations made, to avoid restrictions being imposed on the freedom of movement of these young people to prevent their return to schools and universities in the UK when they eventually reopen? Some of these students may have participated in the peaceful protests in Hong Kong, which will put them at greater risk. Given a wide interpretation of foreign interference, is any consideration or advice being offered by the Government in that respect?

5.05 pm

Lord Thomas of Gresford (LD): My Lords, 30 years ago today I joined a march of thousands around Hong Kong protesting against Tiananmen Square, ending at what was then the embassy of the China Government. I am distressed that today the annual candlelight vigil to celebrate or remember that disaster has been cancelled in Hong Kong, and I hope it is soon replaced. My heart is therefore with the protesters, young and old, but unfortunately they eschewed a strong leadership and have had no exit strategy. My head asks: why has LegCo not passed its own security laws? It operates under the Public Order Ordinance of 1967, which was a British ordinance, and has not dealt with it. LegCo is dysfunctional, reduced this week to throwing stink bombs and having struggles on the Floor. It would be far better employed in holding a full consultation with the Hong Kong people and promulgating its own law.

5.06 pm

Lord Glasman (Lab): My Lords, I too thank the noble Baroness, Lady Anelay, for initiating this debate. I agree with much that has been said, but I shall make

one distinctive contribution about how we should go about this, which is that we could take a lead in building a coalition of islands, including Japan and Taiwan as well as Hong Kong, and including the West Indies, Sri Lanka and New Zealand. We have three mutual interests here: combating rising sea levels; ensuring the freedom of the seas; and resisting mainland domination. Islands are distinctive things and such an approach would bind Hong Kong closer to us.

5.07 pm

Lord Randall of Uxbridge (Con): My Lords, this is patently a very serious moment, both for the people of Hong Kong and of course more widely for many people and countries throughout the world. I completely support Her Majesty's Government in the statements they have made, as it is of the utmost importance that democracy and human rights are upheld in Hong Kong. This has to be achieved with as many other countries as possible around the world.

I want to raise two important events that are coming up where China has a crucial role. I hope the Chinese Government recognise that that role and influence worldwide will be tarnished if matters are not resolved satisfactorily in Hong Kong. The Convention on Biological Diversity, due to be held in Kunming later this year—although I am not sure whether it will go ahead on time—is somewhere where the great strides forward in protecting and enhancing biodiversity in China could be highlighted and showcased. They have created vast new wetlands and offered enhanced protection to wildlife in the country, which is to be applauded. The COP in 2021 in Glasgow is another opportunity to show China that it is a key player in the future of our planet. What is Her Majesty's Government's view of the prospects for those two events at the moment?

The Deputy Speaker (Lord Alderdice) (LD): I call the noble Lord, Lord Luce. The noble Lord is not responding. I therefore call the noble Lord, Lord Rennard.

5.09 pm

Lord Rennard (LD): My Lords, when China tells the truth about events such as those in Tiananmen Square 31 years ago today, in the way that Khrushchev eventually admitted to the crimes of Stalin, then we may begin to accept that it is prepared to be honest. Today, it is trying to ban commemorations of this event in Hong Kong. People in Hong Kong will be able to see, hear and read about this debate via the excellent BBC global news services, but, sadly, such independent news is blocked in China. The Sino-British joint declaration has a clear, jointly agreed legal text protecting some of the freedoms enjoyed by people in Hong Kong, so does the Minister agree that Magnitsky-style legislation may now be needed to discourage China's abuses of human rights?

5.10 pm

Lord Bowness (Con): I thank my noble friend for her introduction to this debate. There has been a lot of talk about establishing an international contact group to put pressure on China to accept its legal and moral responsibilities in its actions in respect of Hong Kong. I hope that the Government will accept that suggestion

and in so doing include the participating states of the OSCE, the parliamentary assembly of which I am a vice-president, since many of its states—especially in the Caucasus and Asia, although not exclusively—are crucial to the ambitions of China in its belt and silk initiative. If we do that, it may well be that an alternative to China's support for various developments will be needed from our democracies.

I look forward to hearing from my noble friend Lord Patten of Barnes, who is giving much-needed leadership on this matter.

5.11 pm

Baroness Kennedy of Cradley (Lab): My Lords, in the time available I will ask the Minister for a number of clarifications. As regards the visa extension scheme, I understand that the trigger for the extension is the text of the law being published. Will the Government bring forward the detail of the scheme before it is triggered so that action can be taken immediately? As my noble friend Lady Jay of Paddington asked, can the Minister clarify whether the scheme is for current BNO passport holders? If so, is or was there a cut-off date for applications, or is it envisaged that the scheme will be extended to all those eligible to apply?

This scheme does not solve the problems for many people in Hong Kong or the long term, so what other actions are being considered? Can the Minister set out why the Government seem to be resisting an international contact group or a UN special envoy for Hong Kong? These seem to be sensible suggestions that have widespread support.

Finally, I join the noble Lord, Lord Rennard, in his call for Magnitsky-type legislation for the UK. This is long overdue. We should follow America's legislation and have our own legislation in this area.

5.12 pm

Lord Wilson of Tillyorn (CB): My Lords, it is not surprising that people in Hong Kong are alarmed about a law on national security being passed in Beijing and its possible effect on human rights. It should have been dealt with ages ago. The Hong Kong Government, under the Basic Law, should have brought in such a law themselves. They tried and failed because of massive public protests. It would still be better if a law such as this came from Hong Kong.

If the Chinese Government insist on passing a national security law in Beijing, I hope that they will listen to the recently published wise advice from Andrew Li, the much-respected former Chief Justice. The three key points are these: any such law should fit with Hong Kong's common law system; it should not be retrospective; any investigatory powers—meaning from mainland-based organisations—should be subject to Hong Kong law.

This is a hugely difficult time for everyone in Hong Kong. Much of my working life has been spent there. I know that the people of Hong Kong have come through many crises over the years, including the impact of those tragic events in Tiananmen Square 31 years ago today. They have the strength and the ability to do so again.

5.14 pm

Lord Trimble (Con): My Lords, I welcome this debate as it gives us an opportunity to demonstrate our support for the people of Hong Kong. As has been made clear, there are difficulties and limitations on what we can do, and obviously we want as wide a grouping of people and other countries working on this, but one thing we can do, as sketched out by the Prime Minister this week, is provide a safety net that may lead to a gateway for entering into and working in the United Kingdom. I know that some people are concerned about this, but I point to the experience of Canada; people, many from Hong Kong, went there, integrated into the community and made a significant contribution. I am sure that that can happen again. We should keep that door open.

5.15 pm

Lord Owen (Ind SD): My Lords, I am very sad, as I think many people in the world are, about the deterioration in relations with China. It will not be easy to engage President Xi on the issue of Hong Kong. It is very sensitive. In the past, contact groups seemed to have some success; I have been involved with both of them. The first was in South Africa in 1978. Eventually, Namibia moved to independence as a result of that contact group's work, although it took 12 years. The other was in the Balkans in 1994 and undoubtedly helped to lay the foundations for the success of the Dayton accords and all that had gone before in the negotiations. Assembling many countries to work together is difficult. The key aspect of a contact group is that it does so at all levels: politicians, diplomats, lawyers and sometimes even the military. That is one of the most practical ways of proceeding.

5.16 pm

Lord Howell of Guildford (Con): My Lords, I thank my noble friend Lady Anelay. Of course, I am strongly against Chinese bullying and strongly in favour of a united front among nations in addressing China over Hong Kong's future as an autonomous region. We have been through some of this before—for instance, when I chaired the old LegCo inquiry on British national (overseas) passports in Hong Kong back in 1996—but, as with so many issues nowadays, the middle ground here has evaporated. It seems that you have to be on the side of the protesters, however violent and disruptive some of their actions are, or you are deemed to be a lackey of Beijing.

There is a middle path. It is totally in China's interests to see Hong Kong flourish as part of the vast Greater Bay Area and totally in our interests, and those of our friends, to see Hong Kong prosper in stability and security. This is the basis on which tough and insistent dialogue with China must take place. Neither arbitrary China law nor the senseless street violence of Hong Kong rioters nor encouraging a mass exodus is the right way forward for this great and brilliant Chinese and world city.

5.17 pm

Lord Alton of Liverpool (CB): My Lords, I thank the noble Baroness, Lady Anelay, and declare my interest. Will the Minister, as he is being urged to do, reflect further on the proposal of seven former Foreign Secretaries, including my noble friend Lord Owen,

for an international contact group and ensure that Beijing's actions are on the next G7 agenda? Given his Commonwealth responsibilities, will he urge Commonwealth nations in particular to support the UK's lifeboat policy, offering pathways to second citizenship to Hong Kong citizens—especially those ineligible for BNO status?

How will the UK offer exclude those who have collaborated in the destruction of Hong Kong's freedoms? What sanctions will await collaborators, including UK banks such as HSBC, for aiding and abetting those who, having incarcerated 1 million Uighur Muslims, now threaten Hong Kong? How does the Minister respond to Jeremy Hunt's warning today that, following Hong Kong, democratic Taiwan will be next, and subjected to China's willingness to use force? On this anniversary of Tiananmen Square, are we at last recalibrating our assessment of the nature of the Chinese Communist Party, especially before handing over yet more of our assets and strategic infrastructure to it?

5.19 pm

Lord Desai (Lab): We will have to be prepared for a very tough China. Xi Jinping is pursuing an all-Chinese nationalist programme of getting all the Chinese territories back and under its control: Hong Kong, Taiwan and the borders between India and China, where China has opened up hostilities with India. Whatever promises the Foreign Secretary and the Prime Minister have made, we will have to be detailed and exact on the scope of those policies. As my noble friends Lady Jay and Lady Kennedy said, all the details of what will happen with dependants—who precisely has the right and to whom it can be extended—will have to be worked out beforehand and then implemented. We will have to be ready for China's retaliation both to British citizens resident in China right now and to British businesses.

5.20 pm

Lord Balfre (Con): My Lords, I declare an interest, as I was for some years the joint chair of the European Parliament Hong Kong friendship group and I have been to Hong Kong on numerous occasions. We are now facing what I think of as a Rhineland moment. It is a time when you have to draw the line, because the line has clearly been crossed. We have seen a lot of Chinese pressure over the years: China's pressure on states not to recognise Taiwan; its pressure on countries when they entertained the Dalai Lama, as David Cameron did; and, more recently, its pressure on Australia when it called for an independent WHO inquiry. It is time now for there to be some international action against bullying, and taking in 3 million citizens is not necessarily part of it. I call on the Minister to tell us how he is going to get together with like-minded states and co-operate in opposing these Chinese moves.

5.21 pm

Lord Truscott (Ind Lab): My Lords, by its actions over Hong Kong, China is making a mockery of both the Sino-British declaration and the notion of "one country, two systems". What action have Her Majesty's Government taken to co-ordinate an international response? I declare an interest, listed in

the register, as a visitor to Taiwan last summer. The proposed new national security law ensures that any application of “one country, two systems” to Taiwan is a Peking dead duck now, if it was not already. Does the Minister agree that recent developments in Hong Kong are especially disturbing for the people of Taiwan? Will he reiterate Her Majesty’s Government’s support for Taiwan’s vibrant democracy?

5.22 pm

Lord Patten of Barnes (Con): My Lords, first of all, several noble Lords have referred to the significance of the date. It would be helpful if the Minister could arrange to put in the Library of the House of Lords the telegram that the late Sir Alan Donald sent on 5 June 1989, which was declassified a couple of years ago. It is a reminder of why so many people in Hong Kong today are concerned about what has happened.

Secondly, people have referred to the national security law. There is, of course, a national security law in Hong Kong now. The worry is that the Chinese communists do not have in mind a national security law that respects the International Covenant on Civil and Political Rights. If they did, we would have seen a national security law some time ago. That is the challenge and the problem; to think that they have a different view is whistling past the cemetery.

Thirdly, I hope that we can continue to have cross-party support for a policy not only on Hong Kong but on China. With other countries, we need to reset our relationship with China, which has shown that it bullies, it breaks its word and it is a threat to the world in many respects. I hope that we can recognise that this is an issue where honour and national interest march hand in hand.

5.23 pm

Baroness Goudie (Lab): My Lords, I thank the noble Baroness, Lady Anelay, for this debate. Nothing is more fundamental to human rights in Hong Kong and elsewhere than an independent, impartial judiciary. Hong Kong has that; mainland China has not. An important feature of the judicial system in Hong Kong is that, since handover, its local Court of Final Appeal has replaced appeals to the Privy Council. This was authorised by the Hong Kong Basic Law in London. The judges in the Court of Final Appeal are mostly from Hong Kong, but very senior judges or retired judges are from the United Kingdom, Australia or Canada and do participate. A clear violation of human rights in Hong Kong would be interference by China in the composition of the Court of Final Appeal for cases or categories of case, or interference in the filling of vacancies. There is no doubt that the independence of the Hong Kong judiciary is under attack, and this is a grave danger for the rule of law in Hong Kong. Hong Kong judges have been threatened—

Lord Parkinson of Whitley Bay: My Lords, I am sorry but we are running very tight.

Baroness Goudie: Okay. Can I continue or not?

The Deputy Speaker: I call the noble Baroness, Lady Meyer.

5.25 pm

Baroness Meyer (Con): My Lords, I have only three points to make. First, the UK has a moral and political responsibility for the future of Hong Kong. Secondly, I warmly welcome the Government’s initiative to offer the possibility of full citizenship to BNO passport holders. Thirdly, we now need a coalition of the like-minded to come up with a common China strategy. Even in the days of the Cold War, there were agreed rules of the road to avoid miscalculations and nuclear war. That is wholly missing from our relationship with today’s increasingly aggressive China. Does the Minister agree that the G7 meeting will be an opportunity to forge such a coalition, and that the UK must play a leading part?

The Deputy Speaker: The noble Baroness, Lady Northover, does not seem to be responding. I call the noble Lord, Lord Collins of Highbury. Oh, we seem to be having a little problem with the system here. Is that the noble Baroness, Lady Northover?

5.27 pm

Baroness Northover (LD): I thank the noble Baroness for this debate. There is clearly widespread agreement that this move potentially breaks the 1997 Sino-British agreement. The Chinese Government have been criticised internally over coronavirus; this will send key messages to their citizens. Carrie Lam has stated that her Government will fully co-operate and that the law would not affect legitimate rights in Hong Kong or the independence of the judiciary. Those two positions look totally contradictory.

I welcome the Government’s offer to BNO passport holders. However, it needs to be extended to all Hong Kong citizens, not just those with BNO status and their dependants. How will the UK work with its allies, particularly its closest allies in the EU, to protect Hong Kong? Will it rework its economic and foreign policy in relation to China?

5.28 pm

Lord Collins of Highbury (Lab): My Lords, I have two quick points. I welcome the Government’s announcements on visa arrangements. The Foreign Secretary suggested that this would apply only to the 350,000 current BNO passport holders in Hong Kong. The Prime Minister subsequently indicated that it would also include the 2.5 million eligible to apply for the passport. Which is correct?

Hong Kong has seen the most brutal response to peaceful protest. Earlier this week, the Foreign Secretary said that he raised with the Hong Kong authorities last August the need for an independent inquiry. He then indicated that one response to the failure of the Hong Kong authorities to act would be to consider the new Magnitsky-type sanctions. When will we see the promised legislation from the sanctions Act approved by Parliament?

5.29 pm

The Minister of State, Foreign and Commonwealth Office and Department for International Development (Lord Ahmad of Wimbledon) (Con): My Lords, I first join all noble Lords in thanking my noble friend Lady Anelay for tabling this debate and thank them

[LORD AHMAD OF WIMBLEDON]

for their very focused contributions from the outset. There were a lot of questions; if I am unable to cover them in the time I have, following the usual courtesies I shall write to noble Lords and lay responses to those questions in Library.

I am sure noble Lords will forgive me—and join me—if I start by paying tribute to the important contribution of my noble friend Lord Patten. He is for ever a reminder to us of the importance of standing up for the rule of law in the context of Hong Kong, and the role he played was instrumental. I listened carefully to all of his contribution, in particular his specific proposal to have the telegram of 5 June 1989 placed in the Library. I will certainly take that forward, and hope that we will be able to deliver on that in the very short term.

As we all know—noble Lords alluded to this—on 28 May China’s National People’s Congress adopted a decision that would impose a national security law on Hong Kong. Let me assure all noble Lords who have contributed that we share their concerns about this unprecedented development; my closing remarks will echo the Foreign Secretary’s comment. I also thank those noble Lords, including my noble friends, who gave their support for the Government’s statement last week. I particularly note the support of the noble Baroness, Lady Northover, and the noble Lord, Lord Collins. More details will of course follow on the specifics of the announcements around BNOs. I will come on to that.

As my noble friend Lord Patten and other noble Lords reminded us, Hong Kong’s success was built on its high degree of autonomy and freedoms. My noble friend Lord Howell made this point well. This is under the “one country, two systems” framework that China itself has long advocated and reaffirmed. This framework is enshrined in Hong Kong’s Basic Law and underpinned by the provisions of the Sino-British joint declaration of 1984. As my noble friend Lady Anelay reminded us, the joint declaration is a legally binding international treaty, a point also well made by the noble and learned Lord, Lord Hope. The treaty is registered with the United Nations and remains as valid today as it was when it was signed, more than 35 years ago.

The imposition of a national security law on Hong Kong would lie in direct conflict with China’s international obligations. Yes, as my noble friend Lord Patten reminded us, there are provisions for a national security law. However, as several noble Lords including him pointed out, this imposition goes directly against those obligations under the Sino-British joint declaration. It would also lie in direct conflict with article 23 of Hong Kong’s Basic Law, which gives Hong Kong sole jurisdiction to enact these laws. Imposing the national security law would undermine Hong Kong’s high degree of autonomy and threaten the freedom of its people. The Basic Law is unequivocal: it allows for Hong Kong to make its own laws and there are a limited number of areas in which Beijing can directly impose legislation. These include foreign and defence policy, and emergency legislation in extreme circumstances such as a state of war. As my right honourable friend the Foreign Secretary has made clear, we do not oppose Hong Kong having a national security law. What we strongly oppose is its imposition by Beijing.

The impact on human rights was touched on, rightly, by many noble Lords, including my noble friend Lord Bridgeman. The noble Lords, Lord Dubs and Lord Truscott, reminded us about the joint declaration as well. The proposed national security law further raises the prospect of prosecution in Hong Kong for political crimes. It threatens to undermine existing commitments to protect the rights and freedoms of the people of Hong Kong, as set out in the joint declaration, which reflects the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. We are also acutely conscious that Hong Kong’s rule of law and world-class independent judiciary, as mentioned by several noble Lords including the noble and learned Lord, Lord Hope, are a cornerstone of its economic success and way of life. We will of course watch the impact of these proposed measures closely.

I turn to Her Majesty’s Government’s response. I have listened carefully to a number of helpful suggestions and detailed questions. If I may, I will respond in writing to several of them. However, we are very clear-eyed in our approach when it comes to China. That is rooted in our values and interests. The point was made about China and its partnerships. Several noble Lords, including my noble friend Lord Randall, reminded us of our international workings. When it comes to issues such as climate change—my noble friend reminded us of COP 26—we believe that China also has a vital role in the international community, including in its global response to the pandemic. It has worked with many countries and the World Health Organization in its response.

It has always been the case that when we have concerns, we will raise them. On human rights, let me assure noble Lords that we will continue to raise the issue of the Uighurs, which was mentioned by the right reverend Prelate, as we have previously done at the Human Rights Council in Geneva. We will speak out.

Several noble Lords, including the noble Lord, Lord Hannay, who speaks with great experience, referred to the proposal of the seven Foreign Secretaries, including the noble Lord, Lord Owen, for a contact group. The noble Lord, Lord Alton, mentioned human rights and the importance of broad coalitions. My noble friends Lord Patten, Lord Balfe and Lady Helic talked about international action, as did the noble Baroness, Lady Northover. Last Thursday, alongside his counterparts in Australia, Canada and the US, my right honourable friend the Foreign Secretary released a joint statement expressing deep concern over the proposed new security legislation. We are working with New Zealand, Japan and, yes, our partners in the EU—which the noble Baroness, Lady Northover, and my noble friend Lady Helic mentioned—who also made statements expressing concern.

The noble Baroness, Lady Jay, talked about the international group. My noble friend Lord Cormack talked about broadening coalitions, including at the UN. I am sure that noble Lords will have seen that we raised the issue of Hong Kong at a recent Security Council meeting, despite the challenges that China posed. We have taken steps towards creating broader coalitions. My noble friend Lady Meyer talked of

the G7, my noble friend Lord Bowness talked of wider coalitions and the noble Lord, Lord Glasman, suggested how we might strengthen and broaden coalitions. I will of course reflect on all noble Lords' contributions regarding how we can further strengthen international opinion on this issue. I assure noble Lords that we will work with all international partners, including those in the EU, because we want to implore China to reconsider its current path.

My noble friend Lord Wei talked of great hope, and we hope that hope can be restored. We encourage China to work with the Hong Kong Special Administrative Region Government and the people of Hong Kong. Several noble Lords rightly pointed out that the needs of the people should be put first in order to find a solution that will encourage dialogue and respect for human rights; I am unequivocal about that. I am proud to have among my responsibilities the role of Minister for human rights for Her Majesty's Government. It is important that we put human rights at the forefront of our agenda because by doing so, we will help to restore trust.

The proposed imposition of a national security law—an incredibly sensitive subject in Hong Kong—would exacerbate existing divisions. From the beginning of the unrest, this Government have been committed to our responsibilities to the people of Hong Kong, to supporting their right to peaceful protest and to encouraging dialogue on all sides within the “one country, two systems” framework, to which several noble Lords pointed. The noble and learned Lord, Lord Hope, and my noble friend Lady Goudie mentioned the independence of the judiciary; I agree with them. The noble and learned Lord, Lord Hope, also made a point about HBSB and companies that made statements about the national security law. I shall not comment specifically on that, but I underline our hope that China will think again in respect of enacting this law.

In the time I have left, I will turn to the important issue of British nationals overseas. My noble friend Lady Anelay and the noble Baronesses, Lady Jay and Lady Falkner, amongst others, talked passionately about this issue. The noble Baroness, Lady Falkner, asked about Taiwan. We have not changed our position on Taiwan. I reiterate that it is important that a lasting solution to any issues and disputes between both sides is brought to the fore by exchanges by both sides of the Taiwan Strait.

My noble friend Lady Hooper also mentioned the issue of students returning from Hong Kong. We are of course monitoring the situation. They have a right to return to the United Kingdom and we will do what we can to ensure that we facilitate their return.

I am sure that noble Lords noted that the Foreign Secretary said last week and again on Tuesday that if China continues down this path, we will look to amend the arrangements for BNOs. The noble Lord, Lord Collins, raised that issue, as did other noble Lords. Under the current status, BNO passport holders in Hong Kong are already entitled to UK consular assistance outside of China and protection and entry clearance for six months into the UK. However, in response to actions that the noble Lords, Lord Powell and Lord West, suggested, if China follows through with proposed legislation, the Government will put in place arrangements

to allow those with BNO status to live, work and study in the UK for an extendable period of 12 months. That will provide a path to citizenship, as my noble friend Lord Trimble reminded us. We will keep the door open. The noble Baroness, Lady Kennedy, also mentioned that point.

We want to give the Chinese Government the chance to step back from their current course of action, and I note some of the questions that have been raised, including those from the noble Lord, Lord Purvis. I shall of course write to noble Lords regarding the questions I have not had time to answer.

The noble Lord, Lord Collins, and the noble Baroness, Lady Kennedy, mentioned the Magnitsky proposals and secondary legislation in that respect. We are working through this and I assure noble Lords that it is certainly our aim to bring this to Parliament at an early stage—I hope in advance of the Summer Recess, but a lot of work is being done. I am sure that noble Lords will accept that it would not be appropriate for me to comment on specific designations at this point. The noble Lords, Lord Wood and Lord Campbell, asked about Huawei. Our decision on that carries the strongest possible scrutiny.

I thank my noble friend Lady Anelay for tabling this debate. I am sure this is an issue that we will continue to return to in the coming days and weeks, but I want to put on record that the UK and its partners have been clear to China. Imposing this national security legislation would be a clear violation of China's international obligations, including those made to the United Kingdom under the joint declaration. I put on record our call to China to reconsider this path, because I assure all noble Lords that the UK will not look the other way when it comes to the people of Hong Kong.

5.42 pm

Virtual Proceedings suspended.

Arrangement of Business

Announcement

5.48 pm

The announcement was made in a Virtual Proceeding via video call.

The Deputy Speaker (Lord Alderdice) (LD): My Lords, virtual proceedings of the House of Lords will now resume. I remind Members that these proceedings are subject to parliamentary privilege and that what we say is available to the public, both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute, and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. Members may now need to accept an on-screen prompt to unmute their mic. When Members have finished speaking, their microphone will again be set to mute.

Please note that it has been agreed in the usual channels to dispense with the reading of the Statement itself. We will proceed immediately to questions, led by the Opposition Front Bench. The Minister will respond to each question in turn. I ask that all questions and answers be brief, so that we can call the maximum number of speakers.

Covid-19: Aviation

Commons Urgent Question

The following Answer to an Urgent Question was given on Wednesday 3 June in the House of Commons.

“The Covid-19 crisis has affected every person in the country and every sector of the UK economy, and aviation is essential to that economy. It connects the regions together and it plays a huge part in the UK’s future as a global trading nation. That is why the Government have responded to the crisis with an unprecedented package of measures.

On 24 March, my right honourable friend the Chancellor of the Exchequer wrote to the aviation sector, setting out the schemes being made available, including the deferral of VAT payments, the Covid-19 commercial finance facility and the coronavirus job retention scheme. The Civil Aviation Authority is also working with airlines, airports and ground handlers to provide appropriate flexibility within the regulatory framework. If airlines, airports or other aviation organisations find themselves in trouble because of coronavirus and have exhausted the measures already available to them, the Government have been clear that they are prepared to enter discussions with individual companies seeking bespoke support.

We recognise that there remain serious challenges for the aviation sector, despite the measures that have been put in place. It will take time for passenger numbers to recover, and the impact will be felt first and foremost by the sector’s employees. The recent announcements about redundancies from companies such as British Airways, Virgin and easyJet will be very distressing news for employees and their families. These are commercial decisions that I regret, particularly from companies that benefit from the job retention scheme, which was not designed for taxpayers to fund the wages of employees only for those companies to put the same staff on notice of redundancy during the furlough period.

The Government stand ready to support anyone affected, with the Department for Work and Pensions available to help employees identify and access the support that is available. My department has set up a restart, recovery and engagement unit to work with the aviation industry on the immediate issues affecting the restart of the sector and its longer-term growth and recovery. As part of that, we have established an aviation restart and recovery expert steering group, which is formed of representatives from across the sector, including of airports, airlines and ground handlers, industry bodies and unions.

The sustainable recovery of the aviation sector is a core part of our commitment to global connectivity and growing the UK economy. With airports, airlines and other parts of the aviation sector, we are putting in place the building blocks for recovery. The House will be updated as soon as possible on the next steps.”

The Answer was considered in a Virtual Proceeding via video call.

5.49 pm

Lord Tunnicliffe (Lab): My Lords, I declare my interest as a British Airways pensioner.

Aviation is a key industry in this country, contributing £22 billion a year to the economy and sustaining 230,000 jobs across the sector and the wider supply chain. As the former Prime Minister herself stressed yesterday, the sector is just as important in terms of our global ambitions. Airlines and airport operators will need support, but that support should meet several conditions. They must protect jobs, salaries and workers’ rights, take steps to tackle climate change, maintain their tax base in the UK, not pay dividends until doing so is liable, and fully comply with consumer law, particularly in relation to refunds. Does the Minister agree with these conditions? If not, why not?

The Parliamentary Under-Secretary of State, Department for Transport (Baroness Vere of Norbiton) (Con): My Lords, the aviation sector has made use of various elements of the financial package put forward by the Treasury. These were non-sector-specific interventions and industry-specific conditions were not applied to them, so that they could be as accessible and easy to use as possible. However, if a firm seeks any bespoke financial support from the Government, the Government would expect that to be done in the taxpayers’ interests. That support may be subject to conditions that may include some of those outlined by the noble Lord.

Baroness Randerson (LD): I join the Minister in condemning BA’s disgraceful behaviour, but will she confirm what action the Government will take to ensure that BA cannot continue to take public money and at the same time use this crisis to treat its employees in the worst possible manner?

Aviation urgently needs a support package that tackles climate change. What it does not need is quarantine. Does the Minister agree that the plan is three months too late to be effective and sends out the wrong signals about opening our economy?

Baroness Vere of Norbiton: As the level of infection in the UK reduces below that of other countries, we need to minimise the risk of transmission that might be reintroduced from abroad. That is why the quarantine has been put in place. We accept that it is going to have a negative impact on the aviation industry and the tourism sector, and we are working closely with both sectors to make sure that they get through this crisis as best they can.

Lord Craig of Radley (CB): My Lords, will the 14-day isolation period after arrival at UK airfields include individuals who travel overseas on business from the UK and return later that day, or perhaps, say, after less than 48 hours at their destination? If so, will regulations state a maximum time allowed overseas for economic reasons to forgo the isolation period? Will the regulations apply to private charter passengers flying out from and back to small regional or private airfields, as well as those flying on commercial airlines?

Baroness Vere of Norbiton: My Lords, the quarantine requirements apply to all individuals who are arriving in the UK, irrespective of the time that they have spent outside the UK. They are all required to self-isolate, except for a very small number of exemptions. This applies to all individuals, however they choose to leave

the UK, whether that be on a charter aircraft or indeed using another form of travel—for example, a ferry or the Eurostar.

Lord Naseby (Con): How will it help British industry to get going again if our borders are now to be closed for marginal health gains at the cost of putting at risk our huge key aviation industry, which employs thousands and, even more importantly, is vital for our exports? Now we read in the papers that Her Majesty's Government are contemplating interfering in landing rights at Heathrow. Will my noble friend reflect on the seriousness of the situation and give some positive help to this industry? Let us see some positive action to help aviation, to the benefit of all our economy.

Baroness Vere of Norbiton: The noble Lord is quite right that we need some positive support for the aviation sector. That is why we have the aviation restart and recovery expert group, which includes representatives from airlines, airports, unions and industry bodies. It is putting together the best minds to work out how we can make sure that our aviation sector comes out of this as well as it possibly can. For example, it is setting up common health standards to be applied to an air passenger's journey, from home all the way through to the other side. That is the sort of system that will help the sector to get back on its feet.

Lord West of Spithead (Lab): My Lords, with an estimated 16,000 of the world's commercial aircraft grounded and stored, airlines are doing whatever they can to cancel orders and delay the delivery of ordered aircraft. Some airlines are falling into administration. Many older aircraft have been placed in store and are unlikely ever to be able to be flown again. Commercial aircraft and engine manufacturers, along with those engaged in important supply chains, have been forced to act to ensure survival. How can we ensure a healthy and fit-for-purpose aviation industry, which will be crucial for economic recovery and hoped-for growth? Have our experts made any prediction that the Government are using for planning purposes of when the recovery of airline usage will occur and when, if ever, it will return to current levels? Will Project Birch provide similar support for our aviation industry as that being provided by the US Government and the Dutch and German Governments for their national airlines?

Baroness Vere of Norbiton: I refer the noble Lord to the response that I have just given about the aviation restart and recovery expert group. It is looking at all the issues that he has, rightly, pointed out, including the impact on the wider supply chain across the aviation sector. Project Birch is not industry-specific but is open to any company that makes a significant economic contribution to our country. It will offer bespoke support to a specific company, and that will be done from a value-for-money perspective for the taxpayer, on a company-by-company basis. In that regard, we will be able to support some of our most important companies that contribute to our economic future.

Lord Young of Cookham (Con): My Lords, the challenges facing the UK aviation industry are replicated throughout the world. The International Civil Aviation

Organization has set up an aviation recovery task force. It was due to report by the end of last month, setting out policies and priorities for recovery. Can my noble friend tell the House what progress that task force has made and how it relates to the work of the steering group, to which she has just referred?

Baroness Vere of Norbiton: That is a very good question from my noble friend. The UK is an important member of the ICAO and it plays a leading role in the ICAO Council Aviation Recovery Taskforce, or CART. The CART brings together states and the industry to develop guidance. It published its first report earlier this week, on Tuesday 2 June, and it includes strategic priorities for the aviation sector going forward. I mentioned earlier the common health standards that are being developed by the expert group. Those standards will of course also link into the international health standards that are being developed across various countries, to make sure that air passengers have a seamless end-to-end journey.

Lord Birt (CB): My Lords, yesterday, British Airways offered reassurance to future passengers, citing, first, the effectiveness of its air-filtering system, and, secondly, its intention to clean key surfaces between flights. BA also asked its customers to supply and wear their own face masks and to socially distance when checking in or collecting luggage. However, BA's guidance was glaringly silent on social distancing during flights. What expert advice have the Government received on social distancing during flights?

The Deputy Speaker (Lord Alderdice) (LD): Is the Minister there? We seem to have a problem with her connection. We are just coming up to the 10-minute time limit, so I am afraid that the Virtual Proceedings will now adjourn until a convenient point after 6.30 pm for the government Statement.

6 pm

Virtual Proceeding suspended.

Arrangement of Business

Announcement

6.30 pm

The announcement was made in a Virtual Proceeding via video call.

The Deputy Speaker (Baroness Newlove) (Con): My Lords, Virtual Proceedings of the House of Lords will now resume. I remind Members that these proceedings are subject to parliamentary privilege and what we say is available to the public, both in *Hansard* and to those listening and watching. Members' microphones will initially be set to mute, and the broadcasting team will unmute their microphones shortly before we reach their place in the speakers' list. Members may now need to accept an on-screen prompt to unmute their microphone. When Members have finished speaking, their microphone will again be set to mute. Please ensure that questions and answers are short.

We now come to the Virtual Proceedings on the Statement. Please note that it has been agreed in the usual channels to dispense with the reading of the Statement itself, and we will proceed immediately to questions from the Opposition Front Bench.

Covid-19: UK Border Health Measures

Statement

The following Statement was made on Wednesday 3 June in the House of Commons.

“With permission, Madam Deputy Speaker, I would like to make a Statement about the introduction of public health measures at the border in response to coronavirus. This is another cross-government measure in our continued collective fight against the virus, to save lives and protect the British public by preventing a second wave of the disease. Our priority has always been to protect people’s health and to keep those in the UK safe from this virus, and introducing this measure now will play an important role in our fight against coronavirus.

The tragic events of recent months have shown that, in a world of serious threats to the UK and to global stability, pandemics have no boundaries. Throughout this national endeavour, the introduction of public health measures has been to protect the public, keep the virus under control and now to protect our hard-won progress as we move in the right direction.

The scientific advice has been consistent and clear, and thanks to the collective determination and the resolve of the British public we are past the peak, but we are now more vulnerable to infections being brought in from abroad. Some have suggested that public health measures at the border should have been introduced when the virus was at its peak. However, at that time, the scientific advice was clear that such measures would have made little difference when domestic transmission was widespread. Now, however, the transmission rate in the United Kingdom continues to decline, and international travel is likely to resume from its record low. Therefore, the scientific advice is that imported cases of the virus pose a more significant threat to our national effort and our recovery. Travellers from overseas could become a higher proportion of the overall number of infections in the UK, and therefore increase the spread of the disease. The Government are therefore taking a proportionate and time-limited approach to protect the health of the British public.

I will recap and recall to the House the key points of the public health measures that the Government are putting in place from 8 June. These temporary requirements are set out in full in the Health Protection Regulations laid today. These will apply across England, with the devolved Administrations laying their own regulations to set out their enforcement approaches.

To limit the spread of infection, arrivals must self-isolate for 14 days; this is the incubation period of coronavirus. This follows expert medical advice and is in line with the NHS test and trace service self-isolation period for anyone who has been in contact with the disease.

Working with key industries, the Government have deliberately included a limited number of exemptions to the self-isolation rules, to allow essential services and supply chains to continue, keeping food on our tables, and getting vital medicine and PPE to the frontline. The responsibility for sector-specific exemptions sits with relevant Government Departments.

Arrivals to the UK will be required to fill in a contact locator form, including details of where they will isolate and how they can be contacted. That form

will be found on gov.uk and a Government-led working group, with the industry, has developed a process for carriers to inform travellers about the information they need to provide in order to travel to the UK. The form must be completed in advance of travel to provide details of the journey. Border Force will be at the frontline of enforcing this requirement. Passengers will require a receipt, either printed or on their phone electronically, to prove that they have completed the form. Border Force will undertake spot checks at the border and may refuse entry to non-resident nationals who refuse to comply. It will have the power to impose a £100 fixed penalty notice on those who do not comply. Our fantastic frontline Border Force officers are world class and are consistently working to keep our borders safe and secure.

The data collected will be used by Public Health England, which will undertake checks and ensure that people understand and are following the rules. If Public Health England has reason to believe that someone is not following the law as they should be, it will inform the police.

We trust the British people and our visitors to play their part in acting responsibly and following the rules to control the spread of coronavirus, but we will not allow a reckless minority to put our domestic recovery at risk, so there will be penalties and enforcement for those who break them. A breach of self-isolation could result in a £1,000 fixed penalty notice in England, or potential prosecution. This programme will work alongside test and trace to help us further minimise the public health threat of coronavirus.

The Minister for the Cabinet Office and the Secretaries of State for Transport, Business and Health have worked across Government and the devolved Administrations, with science and industry, carefully to develop the policy for this public health action. In line with all Government Covid-19 measures, and as I announced on 22 May, the measures will be kept under regular review to ensure that they remain proportionate and necessary. I can inform the House that the first review will take place in the week commencing 28 June, and the measures will be assessed on an ongoing basis thereafter, together with all other measures to fight this disease.

We will publish in due course more information on the criteria that must be satisfied for these health measures to be lifted, but I can update the House on some factors that will be considered. These include the rate of infection and transmission internationally and the credibility of reporting; the measures that international partners have put in place; levels of imported cases in other countries where there are more relaxed border measures, and the degree to which antibody and other methods of testing prove effective in minimising the health risk.

Country-specific reports will be provided to allow us to monitor global progress, but we will consider reviewing these measures only when the evidence shows that it is safe to do so, because public health will always come first. As we have considered for all our cross-Government Covid-19 measures, we will take into account the impact on the economy and industry.

The aviation and travel industry is home to some of Britain's most successful businesses and supports thousands of jobs. Across Government, we understand how tough the public health measures to prevent a second wave of coronavirus are for this sector. The industry has a proud record of making the safety of its passengers and staff its No. 1 priority. It also has a record of dynamism and innovation. Engagement with the industry is crucial, and we are asking it to work with us on these measures.

We are liaising with bodies such as the International Civil Aviation Organisation on this and other Covid-19-related issues, and we will continue to work closely with companies and carriers. That is why, with my right hon. Friend the Transport Secretary, we will tomorrow host a roundtable to work across the travel sector and the broader business sector on how we can innovate and move forward together and form a long-term plan for the industry. The Government and the industry share the same aim: to get Britain and our economy moving again in a way that is safe and practical for everyone.

Our priority has always been the safety of our people. That has driven our evidence-led cross-Government approach to this whole crisis. The Foreign Office currently advises against all but essential travel abroad, or against any travel at all to countries where the risk of Covid-19 remains unacceptably high. There has been engagement with embassies representing countries around the world to explain our approach. By taking this public health action alongside our other measures, including test and trace and continued social distancing, we will ensure that we can have greater freedom in the longer term. Of course, that includes international travel corridors, a subject that has already been discussed in the House this afternoon.

Currently there should only be essential travel, but we will continue to work across Government and with the sector to explore all options for future safe travel. Any international approaches will be bilateral and agreed with the other countries concerned, and of course we will need to ensure that those countries are deemed to be safe. We are not alone in our fight against this disease or in the measures that we have taken to stop it.

These measures are backed by science and supported by the public, and are essential to save lives. We know that they will present difficulties for the tourism industry, but that is why we have an unprecedented package of support—the most comprehensive in the world—for employees and for business. We will all suffer in the long run if we get this wrong, which is why it is crucial that we introduce these measures now. Let us not throw away our hard-won progress in tackling the virus. First and foremost, we owe it to the thousands of people who have died, as well as to the millions of people across the whole United Kingdom whose sacrifices over the previous months in following social distancing have together helped us to bring this virus under control. I commend this Statement to the House.”

The Statement was considered in a Virtual Proceeding via video call.

6.32 pm

Lord Rosser (Lab): My Lords, I begin by expressing our thanks to our Border Force staff for their tremendous work, which is sometimes overlooked, in keeping our country safe. Regulations were laid yesterday to bring in the measures announced in the Home Secretary's Statement in respect of the 14-day self-isolation period for people coming into this country, as from next Monday. There is no impact assessment with the regulations, which is due, we are told, to the rush with which they are being introduced. This is despite the fact that the Prime Minister gave notice of these quarantine measures nearly four weeks ago in his televised address to the nation. Surely the Government are not bringing in such a significant measure without providing some meaningful information on both the expected and presumably favourable impact they will have on the number of new Covid-19 cases coming into this country and their expected economic impact on the airline, travel, tourism and hospitality sectors, including on jobs. Can the Government now provide the meaningful information they have on these two aspects that led them to the conclusion that introducing these particular measures was imperative?

In the Statement, the Home Secretary said:

“Some have suggested that public health measures at the border should have been introduced when the virus was at its peak. However, at that time, the scientific advice was clear that such measures would have made little difference when domestic transmission was widespread.”

Actually, people like myself were not suggesting that sensible screening measures at the borders should have been introduced when the virus was at its peak, as the Home Secretary claimed and when no doubt the scientific advice was that that was a bit late. What was being called for was for such measures to be taken before the virus had really taken hold and the figures were low, yet when we were well aware of the extent of the problems already building up elsewhere in other countries, including in Europe. We did a limited amount of quarantining at first, but then it stopped. Now we are told that it is necessary. Given that, why was it stopped when large numbers of people continued to enter this country, certainly prior to our lockdown? Why is it necessary now, when other countries are beginning to ease their restrictions, if it was not necessary much earlier?

There was always one significant way that the virus was going to get into our country, and that was from people, or goods, arriving from or who had been to destinations that already had it. There must be a strong suspicion that, as with PPE and with testing and tracing, the measures were not in place when they should have been because the Government were caught unprepared and were too slow. As a result, the capacity to introduce and apply appropriate measures was just not there when it was really needed.

Yesterday, the Home Secretary was asked by the shadow Home Secretary to make available the scientific evidence on which the measures announced in the Statement was based. I am now asking the Minister to give that commitment on behalf of the Government when she responds. It is not enough to say that scientific advice will be published in due course. Information

[LORD ROSSER]

and evidence must be available already, otherwise how could the Government's decision to introduce the self-isolation measures from next Monday have been based on scientific advice? I assume that these measures now have the wholehearted approval of SAGE, but it would be helpful if the Minister could confirm that.

The regulations have a sunset provision after 12 months and will be reviewed by the Secretary of State at least once every 21 days, with the first review on 29 June. Can the Minister, on behalf of the Government, give a commitment that they will now come back to Parliament before the end of that initial three-week window on 29 June to outline the Government's proposed exit strategy from these measures and provide a comprehensive plan of support for all the jobs that are now even more at risk? Will she also give a commitment, on behalf of the Government, that there will be an Oral Statement to Parliament on each review date of the requirements in the regulations, so that the Government can advise Parliament of the outcome of the Secretary of State's reviews and Parliament can question the reasons for any decisions made or not made?

Turning to the Explanatory Memorandum that relates to the SI affecting passengers arriving in England, paragraph 6.12 states:

"People who temporarily cross over the border from Wales or Scotland into England for a reason falling within these exceptions do not have to self-isolate ... This is not applicable in relation to Northern Ireland which does not share a land border with England." Will the Minister spell out in a bit more detail precisely what this means in practice for Northern Ireland compared with Wales or Scotland? Why, if it is the case that Northern Ireland is being treated differently under these regulations from Wales or Scotland, is this necessary and unavoidable?

Finally, where does responsibility for the implementation of these regulations lie? I ask because the Home Secretary made the Statement in the Commons yesterday and our Home Office Minister in the Lords is responding today. However, the regulations implementing these measures are in the name of the Health Secretary. I know the Government are very keen to tell us that everything is dealt with on a cross-government basis, but where does responsibility lie for the implementation and operation of these measures? Is it with the Home Secretary, the Health Secretary, another Cabinet Minister—perhaps the Transport Secretary—or the Prime Minister? If things go right with these measures, and it is in the interests of the country that they do, we do not want to watch everyone in government trying to claim credit. If things go wrong, we do not want to witness an unseemly exercise in buck-passing.

Baroness Hamwee (LD): My Lords, I would prefer to look forward, but I cannot avoid putting this measure into the context of current public attitudes. This is not just about quarantine; it is about how much confidence the public have in what the Government say and in what they tell us to do. There is a widespread view that these quarantine measures are unenforceable, and an even wider view that the Government have lost touch with reality. Today, the Prime Minister, in the vaccine summit, is urging the world to act collaboratively. Has it not occurred to the Government that, given our high

rates of infection compared with many—probably most—of the countries to which people from the UK wish to travel, and to which they will therefore return, the risks to those countries are greater than to the UK? Last Friday, the UK had more deaths than the whole of the EU and EEA in total. Sir Patrick Vallance yesterday summed up what the public are thinking.

We have had monitoring and triaging at the border. Will that apply to those exempt from quarantine? I am interested to know from the Minister when the Government will publish in full the advice they have received, to which the noble Lord, Lord Rosser, has just referred, and the extent of consultation with stakeholders, including those who can reliably advise on the availability of tracking, tracing and testing.

Regarding enforcement, what discretion will there be on the level of fine and how will it be enforced when the recipient has returned abroad? We have just heard the Statement on the aviation industry, so I am not glossing over the issues with that by making just two points. Is progress being made in thinking about moves towards reducing damage to the environment by frequent flying? And, more immediately, how will the—presumably socially distanced—queues at the border be handled? We have seen images of Tuesday's queues of MPs unencumbered by luggage, although possibly encumbered by baggage. Can the Government tell noble Lords the level of holiday bookings in place through to September? They must have talked to the industry.

It is not open to many people to take a holiday and then a period of isolation, so people must be cancelling. Many will have travel insurance. What do the insurers have to say about meeting claims on that basis? I hope that the Minister will not say that this depends on the detail of each policy. It is a wider point. I say that because I know that, in a different sector, there has been resistance to paying out when the insured thought that they had all the right cover.

I particularly want to ask about business travel. I had seen no comment on this until Mrs May's observation yesterday that

"international air travel is necessary for trade; without it, there is no global Britain."—[*Official Report*, Commons, 3/6/20; col. 850.]

There must be many people who, as part of their work, come and go between the UK, France, Belgium and further afield on a frequent basis. Of course, there is also travel for family reasons. There are people who work in the UK in large or small microbusinesses but whose home is in France, and vice versa, or who work in both countries but not on a regular basis of at least once a week, as the statutory instrument envisages. Why not have an exemption for people who travel irregularly and less frequently? Would that not actually give more of a chance for an infection to show itself? We heard in the previous Statement that there is no minimum period for a stay abroad, even if it is a couple of hours.

Is there any exemption for people who need to travel for international humanitarian purposes? I do not mean health workers coming to the UK. I did find it ironic to read that services to ensure the continued operation of the aviation industry are exempt. What estimate is there—I particularly want the Minister to share this with noble Lords—of the numbers of people

exempted through the 12 pages of categories scheduled to the SI? What guidance will be published on matters such as travel to and from airports, or, given the restrictions on the hospitality industry, finding a hotel in which to self-isolate? The Home Secretary said yesterday that this would be in advance of 8 June; well, it would have to be. What assessment has been made of the likely transmission from those who are exempt, as compared with the extent of transmission if there were no restriction?

People need to plan ahead as far as they can in uncertain times. The quarantine measures are to be reviewed in three weeks. I end specifically by urging the Government to reconsider that period and to apply a serious—not tick-box—weekly review, and, generally, by urging clarity and coherence.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): I thank noble Lords for their questions. The science advice has been consistent. It has been clear that

“as the number of cases in the UK decreases, the potential proportion of imported cases may increase”.

So, as noble Lords have said, we need to manage the risk of infections being introduced from elsewhere. When the virus was at its peak, these measures would have been ineffective.

SAGE minutes of 23 March stated that

“numbers of cases arriving from other countries are estimated to be insignificant compared with domestic cases, comprising approximately 0.5%”.

It is for SAGE to determine when to publish its advice. Of course, the minutes have been published and are on the GOV.UK website. The noble Lord, Lord Rosser, asked what SAGE thinks of certain government decisions; it is for SAGE to advise the Government rather than approve government decisions. He asked about the next review date and whether there would be an Oral Statement on each review date. I am not sure about that, but I am happy to commit to doing one—and if I do not, I am sure that noble Lords will ensure that I do.

The noble Lord, Lord Rosser, also asked about the tourism industry. I recognise that the measures will have an impact on tourism and the aviation industry, which are significant contributors to the UK economy. The Government continue to support businesses in the tourism sector through one of the most generous economic packages provided anywhere in the world. We have always recognised that the measures we have taken to limit the spread of Covid-19 will have a substantial impact on our economy, including on sectors such as tourism, but that was essential to protect the NHS and save lives. The Government will continue to work with the travel industry and other countries through forums such as the OECD and the G20 to co-ordinate an international response. We want to ensure that the UK remains an internationally competitive destination for business and leisure and that, when it is safe to do so, UK residents can resume travel and support the UK’s outbound tourism sector.

The noble Lord, Lord Rosser, talked about people travelling from the Republic of Ireland to Northern Ireland. Those arriving in England on a journey from another part of the CTA—Ireland, the Isle of Man

and the Channel Islands—will be required to provide locator details and self-isolate only if they have entered the CTA within the last 14 days. For example, if they travel to England through another part of the CTA but their journey started from a destination outside the CTA within the last 14 days, they will have to self-isolate only until they have spent a total of 14 days in the CTA. Those who have been in the CTA for longer than 14 days will not have to provide locator details or self-isolate.

The noble Baroness, Lady Hamwee, asked about the penalty for breach. Given the high levels of compliance we have seen to our measures to date, we expect that the majority of people will do the right thing and abide by these measures. The police will continue to use their powers proportionately and will engage, explain, encourage, and only as a last resort enforce. That is how they have acted all through this, but they will take enforcement action against the minority of people who endanger the safety of others. That is the right thing to do.

British nationals and foreign citizens who fail to comply with the mandatory conditions could face enforcement action. A breach of self-isolation would be punishable with a £1,000 fixed-penalty notice in England or potential prosecution and unlimited fine. The level of fine will be kept under review and immigration action will be considered as a last resort for foreign nationals. The legislation is created under the Public Health (Control of Disease) Act 1984.

In terms of the proportion of arrivals who will be exempt, we think that it will capture an estimated 11% of arrivals. The noble Baroness also asked about travel to and from the airport. It is being advised that you do not use public transport to travel to and from an airport but take the car of the person you are staying with.

The Deputy Speaker (Baroness Newlove) (Con): We now come to the 30 minutes allocated for Back-Bench questions. I ask that questions and answers be brief, so that I can call the maximum number of speakers.

6.50 pm

Lord Taylor of Holbeach (Con): My Lords, while I thank my noble friend the Minister, I regret that I have to join the critics of this policy. When Europe is talking about freeing its cross-border movement—15 June is a likely date—we are in danger of freezing and closing ours down. This can only bring disastrous economic consequences to our country as we seek a global role. Can my noble friend the Minister name any Schengen country with a higher rate of infection than us? If she has not such information to hand, will she write to me with the relevant infection rates? While quarantine will reduce movement and risk, does not the fundamental fault of the scheme lie in the lack of selectivity between countries based on their levels of infection and our own?

Baroness Williams of Trafford: I thank my noble friend. I can name one Schengen country with a higher rate per capita, and that is Sweden. Of course, each country has put in place its own measures. It is difficult to state the relative death numbers with any

[BARONESS WILLIAMS OF TRAFFORD]

certainty now; it will be far easier to see with hindsight when we come through this pandemic, hopefully in the next few months. As for Europe, cross-border movement and why we are doing what we are doing now, I hope I can give my noble friend comfort in saying that we will keep these things under review. They are being reviewed every three weeks. Of course, what we want is to be able to lift restrictions and get this country moving and the economy back in action as soon as we possibly can.

The Deputy Speaker: The noble Lord, Lord Singh of Wimbledon, has withdrawn. I call the noble Lord, Lord Paddick.

Lord Paddick (LD): My Lords, the regulations make clear that you do not have to complete a passenger locator form prior to arrival in the UK. You may not have internet access abroad or be computer literate. What happens if someone does not complete a form and is not one of the one in 10 spot-checked by Border Force at the UK border? How will their quarantine be enforced?

Baroness Williams of Trafford: My Lords, it is advised to have a form completed before arrival at the airport. I understand that Border Force will check whether people have forms completed and will enforce if people do not. I assume—though not with absolute certainty—that forms will be available at the airport should people not have filled them in before they get there. There will be strict enforcement of the filling in of these forms.

Lord Reid of Cardowan (Lab): My Lords, I would like to probe a little further the scientific basis of this decision. The Government keep telling us that they are being led by the science and scientists but, as I understand it, the scientific advisory group was not even consulted over this specific decision before it was taken, which is why there has been so much criticism from that quarter. Today, for instance, Professor Robert Dingwall said there was a need

“to get the level in this country significantly further down”

to ensure that quarantining travellers would be “a useful measure”. I have one specific question for the Minister: was the scientific advisory group consulted over this specific decision before it was taken? If not, what scientific legitimacy can the Minister and the Government now claim for the decision?

Baroness Williams of Trafford: My Lords, it is important to make clear at this stage that we are led by the science. SAGE, the Scientific Advisory Group for Emergencies, advises the Government, and it is for the Government to make policy decisions.

Lord Caine (Con): I refer to my entries in the register of interests. My noble friend will be aware that, within British sport, rugby league is unique in that three overseas teams compete in two of our domestic leagues—Catalans Dragons and Toronto Wolfpack in the Super League and Toulouse in the Championship. Each team plays home and away fixtures. A 14-day quarantine period that encompasses players

and staff risks making any fixtures involving these overseas clubs extremely difficult, if not impossible, when the rugby league season finally resumes. Will my noble friend take this issue back to the Home Secretary? In considering possible sporting exemptions, will she ensure that rugby league, which has great experience in managing teams in and out of the UK, is fully involved in these discussions?

Baroness Williams of Trafford: These are cross-government decisions where Ministers engage with each other. I understand the huge strength of feeling in rugby, football and the many other sports which people would love to have back and engage with. As I have said previously, the Government will regularly review its decisions and the rules that are in place every three weeks. We are committed to getting this country up and free and running—or playing rugby—as soon as we possibly can.

Viscount Waverley (CB): My Lords, I fully understand that this is a difficult judgment call, but I fear that it might isolate the United Kingdom. What issues have shaped how the Government have prioritised decision-making, given that protecting lives is fundamental? Safeguarding British industry that needs to de-risk its supply chain construction is essential, as is contributing to the economies of emerging markets on which the UK relies for supply and demand.

Baroness Williams of Trafford: I totally concur with the points that the noble Viscount makes. Central to the Government’s strategy all along has been reducing the R rate, saving lives, protecting the NHS and, ultimately, getting rid of this virus.

Lord Lansley (Con): My Lords, I understand the rationale for the decision, which is that we should seek to constrain the transmission of the virus from areas with community transmission to places where it might otherwise be brought where community transmission has been controlled and constrained. The problem at the moment is that we have significant elements of community transmission, and there are a significant number of European countries where there is now no evidence of such transmission. It is the wrong way round. Will my noble friend at least tell the House that the Government will consider whether there is a case for some specific exemptions for those countries—principally, at the moment, our neighbours in Europe—where there is no continuing evidence of community transmission of the virus?

Baroness Williams of Trafford: We will, of course, be taking such matters into consideration. I do not know if my noble friend heard my right honourable friend the Home Secretary say yesterday that bilateral conversations were going on with countries across the world to see what kind of innovations we could bring forward in order to make movement easier.

Lord Dholakia (LD): My Lords, will the Minister give a categorical assurance that public health measures will not be used as immigration control procedures? What is being done to monitor the visa regime at British posts abroad before people travel to the United

Kingdom? What procedures are being adopted to deal with the large number of asylum seekers who have landed on our shores in recent times? Can the Minister give further assurance that there will be no more fishing raids where these people have found accommodation? Otherwise, we will create a bigger problem than we are trying to solve.

Baroness Williams of Trafford: The prime drive for the Government is not immigration control, but to ensure that we reduce this virus and the R rate, and that we save lives. The measures that have been put in place are not for any immigration reasons, although immigration enforcement could be used if people persistently flout the rules that we have just put in place. We will ensure that anyone in the asylum system is given appropriate accommodation, in line with public health guidance in terms of social distancing.

Lord Blunkett (Lab): I draw attention to my declaration. It is not my intention to shoot the messenger—I both respect and like the noble Baroness—but perhaps she can pass on the strength of feeling in this House, and a very simple message. If the signal you are sending damages your higher education, business and trade, travel and hospitality, and is seen universally as irrational and unworkable, is it not time to stop digging?

Baroness Williams of Trafford: My Lords, these measures will be in place from 8 June and will of course regularly be reviewed. I totally concur with the points made by the noble Lord. The last thing that we want to do is damage any of the things that he talks about, but we also have a duty to keep the public safe and healthy.

Baroness Blackwood of North Oxford (Con): I am not sure whether SAGE was consulted on this matter, but the Minister will understand that on measures so consequential, transparency is in all our interests. In this spirit, will she undertake to ensure that SAGE and the CMOs of all four nations are consulted as part of the rolling review process?

Baroness Williams of Trafford: My Lords, it is fair to say that SAGE advises the Government and the Government make decisions on the back of that advice; SAGE also published the minutes up to 1 May. There would be no point in having SAGE if the Government did not at least value the quality of its advice. At the beginning of this, the noble Lord, Lord Rosser, thanked Border Force. I neglected to join him in doing so, but I also put on record my thanks to SAGE, which has been phenomenal throughout this process.

Baroness Bennett of Manor Castle (GP): My Lords, from 8 June, some people arriving here will not only face 14 days of quarantine but have stamped in their passports “no recourse to public funds”. I am sure that the noble Baroness the Minister—unlike the Prime Minister—knows what that means: that they cannot access universal credit and disability, housing and child benefits, and are therefore at grave risk in the midst of the Covid epidemic, of which, as the noble Lord, Lord Bethell, said this morning, we face a second spike. Yesterday, a court ruled that the policy is unlawful.

Will the Government remove the requirement of “no recourse to public funds” to ensure that everyone in Britain has access to the help that they need?

Baroness Williams of Trafford: I absolutely assure the noble Baroness that everyone in Britain will have the help that they need. “No recourse to public funds” does not mean that people will not have access to healthcare; they will. Nobody needs to find themselves without accommodation—the Government have purchased hotel rooms to ensure that—and nobody will find themselves without access to food either.

Lord Maude of Horsham (Con): My Lords, I declare my interest as an adviser to IFM, which is a shareholder in Manchester Airports Group, but also as someone who I think has had this virus so I know what it is like. Of course everyone will understand the concern that there is to minimise infections in future, but because of that it is extremely important that we in this House—but also the public more widely—see and understand the scientific advice that lies behind this measure, when it involves a move from there being no health checks whatsoever at the border to what look like the most stringent controls anywhere in the world. Will my noble friend undertake that this measure will be subjected to really genuine review as soon as possible with a presumption in favour of a swift reversal, and in the meantime urgently seek bilateral arrangements to mitigate the very significant downside effects that noble Lords have already identified?

Baroness Williams of Trafford: I absolutely give that commitment to my noble friend. The sooner that these measures are lifted the better, because it means that the virus will have been completely suppressed, the country will be opening up again and the economy will be moving. Manchester Airport, which I visited just before lockdown started—it was absolutely ghostly at the time, and I do not think any planes have flown out of there in the last few weeks—is my local airport, and I absolutely look forward to it being up and running again.

Baroness Ludford (LD): My Lords, it is widely commented that this is a three-week window-dressing exercise that is political rather than led by the science, in order to save certain faces. Can the Minister answer with a yes or no the question that was asked yesterday in the other place and earlier in this House by, among others, the noble Lord, Lord Reid: was SAGE consulted on, and did it recommend, the measures in the new regulations? Yes or no?

Baroness Williams of Trafford: Yes, my Lords, the Government are led by the science. It is up to SAGE if it wants to publish papers but it is absolutely not compelled to do so. It has published its minutes up to 1 May. As I said before, SAGE advises the Government and it is up to the Government to make decisions based on that advice.

Lord Liddle (Lab): I would like to follow up on the penetrating questions asked by the noble Lords, Lord Taylor of Holbeach and Lord Lansley. Surely it must be the case, and surely this is the logic of the

[LORD LIDDLE]

scientific advice, that whether you need quarantine when you arrive from a particular country depends on the rate of infection in that country. If countries have very low rates of infection, why on earth are we worrying about arrivals from those countries? Should the principle of differentiation between countries according to their rates of infection not be a fundamental part of this policy if it is to be continued at all?

Baroness Williams of Trafford: My Lords, that is why the UK is engaging with different countries and airlines on all sorts of considerations while it considers what the next stage of this process will be. The Government are very keen to review this as soon as we possibly can within the next three weeks, and then the next stages of decision-making will be stated.

Lord Blencathra (Con): My Lords, I have no regard for the opinions of Ryanair, which has refunded only 5% of its passengers, nor of easyJet, where 63% are waiting for a refund. However, will the Minister please reassure me about enforcement? If the police will not enforce the law yesterday, with massed demonstrators packed closely into Whitehall, how will this be enforced with individuals scattered throughout the country?

Baroness Williams of Trafford: My Lords, the reason why the locator form is so important is that people will be contacted and enforcement carried out to ensure that people follow the rules. However, as has been the case through lockdown, I think people see the importance of looking out for each other, because each time we break the rules we run the risk of infecting our loved ones and people in our community.

Baroness Scott of Needham Market (LD): Can the noble Baroness reflect on the difficulties experienced by police in the early days of the lockdown concerning regulation and law versus guidance? Can she tell us what lessons her department learned from that, and how we can make sure that the three agencies involved are very clear about the difference between statute and guidance?

Baroness Williams of Trafford: Yes, this was the subject of a question to me a few weeks ago. There were some hiccups at the beginning of this process, and of course the media ran the odd story about the police perhaps being a bit overzealous. The police have, to a huge degree, got not only the consent but the support of the public. Something like 74% of the public think that the police are doing the right thing in how they go about enforcing—in fact, some people think that they should have been even stricter. But I totally take the noble Baroness's point that people should understand the difference between what the law is and what the guidance is. The regulations are the law and the guidance assists in the application of the law.

Lord Balfé (Con): I declare my interests as in the register, which include two jobs in Brussels, where I generally spend two days a fortnight—I am talking to noble Lords from there now. I am told that, under the regulations, if I do one day a week, I can travel to and

from Brussels without being put into quarantine, and that these measures are backed by the science. But given that, this afternoon, Eurostar had not the faintest idea of what documents I would need to produce to escape being put into quarantine, and given that—with due respect to the Minister—I am still waiting for a reply to an email to her, what science was used to say that I should take four journeys a month instead of two?

Baroness Williams of Trafford: I apologise to my noble friend publicly for him not having had an answer to his email. As he knows, the rules will start from Monday 8 June, so it is perhaps not surprising that Eurostar was not entirely sighted on some of the rules that will be in place.

Lord Jones of Cheltenham (LD): My Lords, on arriving in Botswana on 27 February, my temperature was taken at the airport. I was asked for details of my visit and handed a leaflet explaining what to do if I felt any symptoms of coronavirus. Those with raised temperatures were taken into isolation and tested for the virus. Similar checks were in place in South Africa and Zambia. It was a surprise that, on returning to Heathrow Airport on 12 March, there were no tests at all—not even a leaflet. Why are we so far behind other countries which, with much fewer available resources than our own, followed the science? We are asking people now to complete a form, with no testing, and then letting them catch trains, buses and taxis to all parts of the United Kingdom. This achieves what, exactly? The noble Baroness is the best Minister in the House, but is this just another attempt to divert attention from the Dominic Cummings scandal?

Baroness Williams of Trafford: I thank the noble Lord for that kind remark. He mentioned trains and buses, but it is actually advised not to take public transport. On his point about the temperature test, it tells you only that you have a temperature; it does not tell you why. The people who are incubating the virus will not present with a temperature, which is why we decided against temperature testing; it would either give false comfort or not tell the full picture. It literally just tells you: “You have got a temperature.”

Baroness Neville-Rolfe (Con): I agree with the noble Lord, Lord Blunkett, and indeed with other noble Lords in their warm support for the Minister, but I also agree on the need to stop digging now. Does she agree that it would have been much better to introduce these quarantine regulations in March, with the lockdown, and that they should now be amended to be much more selective because of the huge economic damage and small health gain involved?

Baroness Williams of Trafford: My Lords, we will not have these measures in place for any longer than we need to, and, as I say, they will be the subject of regular review. Way back, between February and March, we had enhanced monitoring at the border because cases were low here. There was no point doing that when cases reached a high level. However, now that cases are back to a low level, this is the time to put these measures in place. However, I assure my noble friend

that they will be regularly reviewed and that we do not want to keep them in place for any longer than we have to.

Lord Holmes of Richmond (Con): I agree with comments from other noble Lords and congratulate the Minister on all the work she does for this House and for the country. What advice would she give to people who are thinking of a summer holiday abroad this year, and indeed to those who have already paid a deposit for a summer holiday? Should they go ahead and pay the balance and look forward to a lovely trip because these measures will be long gone before the start of the summer holidays?

Baroness Williams of Trafford: I am one of those people who would like a summer holiday and do not know whether I will have one. As I say, we will regularly review the measures that we have in place. We want people to have a summer holiday and we want to unlock the country as soon as we possibly can. There would be nothing nicer than for us all to have a nice holiday at the end of July.

Lord Randall of Uxbridge (Con): Does my noble friend agree that, because of the very nature of large airports, regrettably, there is no easy option of discriminating between travellers coming from different countries, not to mention the problem of passengers transiting abroad?

Baroness Williams of Trafford: My Lords, my noble friend is right that we will have to take all those different factors into consideration. On logistics, we will have to engage with different countries to see what innovations are available for us to ease some of the restrictions and start to make life easier for people. However, as I say, they will be regularly reviewed.

Baroness Altmann (Con): My Lords, I express sympathy with my noble friend for her valiant attempts to defend this policy. However, I can only echo the wise words of

colleagues from across the House that one can see the loopholes in these regulations immediately. For example, could my noble friend confirm that anyone who flies in from abroad via Dublin will not be required to quarantine for two weeks?

Baroness Williams of Trafford: If someone arrived from Dublin in the last 14 days, they would not have to quarantine. I can see that people will want to flout some of the rules and will try to find loopholes. I can only say that these rules are put in place to keep people safe and save lives.

Lord Naseby (Con): Are these proposals intended to cover all airports or just the major airports? The same goes for the shipping ports. Does my noble friend remember that when we were trying to tackle illegal immigration people came through the minor airports? Secondly, are we to audit what happens, certainly at our major airports, so that a report can be done about this at a reasonable interval so that we know what has happened?

Baroness Williams of Trafford: My Lords, I can barely hear my noble friend, but I assure him that all the airports that are open will be subject to these monitoring arrangements and locator forms. I am so sorry that I did not get the rest of my noble friend's question. Perhaps we can take this offline.

The Deputy Speaker (Lord McNicol of West Kilbride) (Lab): My Lords, the time allotted for this Statement is now up. We managed to get through 22 noble Lords, so I thank them and the Minister for their brevity. The day's Virtual Proceedings are now complete.

Sentencing (Pre-consolidation Amendments) Bill [HL] *Returned from the Commons*

The Bill was returned from the Commons agreed to.

Virtual Proceeding adjourned at 7.21 pm.